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Russian Calls for A Review

Official Says It's Time to Rethink Czech Invasion

By Celestine Bohlen Washington Post Service MOSCOW — The director of the Soviet Communist Party's leading ideological think tank said Wednesday that it might be time for a new analysis of the events that led to the 1968 invasion of Czechoslovakia.

ON PAGE 6

Gorbachev's speech gives Western analysts lots to argue about.

The limits on Gorbachev's reforms are apparent after tests in recent days.

Moscow's closest allies interpret the Gorbachev speech in light of their own policies.

Mr. Smirnov, answering a question about the "Prague Spring" of 1968, said it was a legitimate question that needed "a new assessment."

But he declined to give his own views on the period of liberalization in Czechoslovakia and the Soviet reaction to it.

"I would not take this political and scientifically historic issue upon myself," he said. "I have a balanced attitude, but I cannot share it with you."

Mr. Smirnov's comment was apparently an indication that the exploration of sensitive subjects in Soviet history will go forward from now.

See SOVIET, Page 2

Zhao Seen Suing His Deeds to Words

By Edward A. Gargan New York Times Service BEIJING — When Zhao Ziyang, trailed by the other four members of the new Politburo's Standing Committee, met the world press in the Great Hall of the People on Monday afternoon, not one of the Chinese leaders wore the familiar, high-collared Mao suit.

In a land where nuance can be everything, Mr. Zhao's message was clear: China was moving forward.

NEWS ANALYSIS

fully onto the world stage with new leaders, aggressive new policies and increased openness. And China, the message went, is moving beyond the decade of Deng Xiaoping, the country's senior leader, who has resigned all but one of his posts.

"This was no accident," a Western analyst said here. "They were told to wear these suits."

Over the last week, during the 13th congress of the Chinese Communist Party, Mr. Zhao got his way on more than just the leadership's dress code.

He and his mentor, Mr. Deng, persuaded or forced virtually all the revolutionaries who brought Mao to power four decades ago to retire. More youthful technocrats,

known less for ideological acrobatics than for carrying out tough policies, were elevated in the 175-member Central Committee. And Mr. Zhao won approval for continuing the economic transformation of China, a process initiated by Mr. Deng in 1978.

Mr. Zhao's triumph is even more remarkable than it appears at first blush. Less than a year ago, China was gripped by political turmoil that boiled over in the face of nationwide student demonstrations for democracy. Mr. Deng, who carefully nurtured a team led by Mr. Zhao and Hu Yaobang, capitulated to a coalition of hard-line Marxists and forced Mr. Hu to step down as party leader.

The hard-liners argued, successfully, that Mr. Hu's talk of stepping up economic change and broadening the arena of permissible expression had precipitated instability and undermined the authority of the party itself.

A campaign against the pernicious influence of "bourgeois liberalization" erupted, cowering intellectuals and artists.

So resurgent were the orthodox Marxists that the government-controlled press was dominated by talk of Mao to power four decades ago to retire. More youthful technocrats,

See ZHAO, Page 2



Floor traders in London reacting Wednesday as share prices took another sharp drop.

Stocks Hit As Dollar Weakens

Dow Loses 18; Prices Fall in Asia and Europe

Compiled by Our Staff From Dispatches NEW YORK — U.S. stock prices slipped Wednesday in nervous trading, capping a day of market gloom around the world caused by the shrinking dollar.

The Dow Jones industrial average of 30 leading U.S. stocks lost 18.24 points to end at 1,945.29. Broader indicators of market performance also fell, trailing key indexes in London, Tokyo, Hong Kong and Paris.

Traders attributed the renewed international anxiety to the belief that the United States is not acting aggressively enough to correct its huge budget and trade deficits, which have battered the U.S. currency. As the dollar weakens, American exports become cheaper and gain an edge in world markets, thus posing a threat to important industries in many countries.

The dollar hit postwar lows against the yen and Deutsche mark on Tuesday before recovering later in the day. The U.S. currency was weaker again on Wednesday in New York and London, but closed above the trough touched on Tuesday (see page 19).

In New York, issues that declined in price led advancing ones by 9 to 1 and volume eased to about 202.53 million shares from 227.84 million on Tuesday.

Those levels were high by historical standards but far below the huge volume seen in recent weeks. The New York Stock Exchange again closed an hour and a half early at 2:30 P.M., to allow dealers to catch up with the backlog of trades.

Lon Gorman, a senior trader at First Boston Corp., said the market has lost faith in "anything significant coming out of Washington" on the budget or the deficit.

"People are very antsy, very nervous," he said.

Mr. Gorman said that Wall Street already has discounted a minimum \$23 billion cut to the budget deficit for the current fiscal year and is looking for bigger reductions.

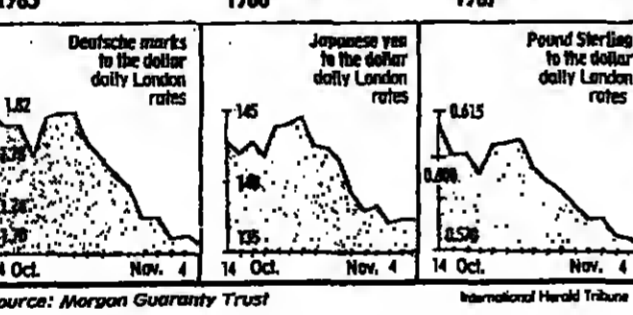
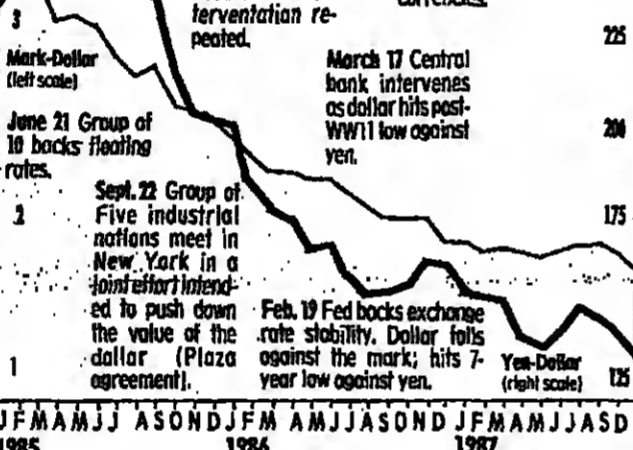
"The longer we don't get anything concrete, the longer the market will be in disarray," he said. "If

See MARKETS, Page 14

If the Worst Is Over, Europe May Be Spared Economic Harm

Marking the Decline of the Dollar

Monthly average exchange rate of the yen and the mark against the dollar since January 1985.



Source: Morgan Guaranty Trust International Herald Tribune

By Reginald Dale International Herald Tribune PARIS — Provided the worst is over, the major West European economies may not be too severely hurt by the recent world stock market collapse and the subsequent turbulence in international currency markets, government officials and private analysts said Wednesday.

Economists emphasize that grave uncertainties remain, particularly over the future value of the dollar and U.S. economic growth. So far, however, they see little evidence of panic selling by small West European investors or any sharp cutbacks to business activity.

None of the four European members of the Group of Seven, the leading industrial democracies, has yet felt obliged to adjust substantially downwards its official growth projections for the coming year.

The governments of three of the four — West Germany, Britain and France — continue to insist that their domestic economies are basically sound and that only the outside world has changed.

In the fourth, Italy, where the economy was already suffering from inflation and balance of payments constraints, private analysts still expect growth to reach 2.5 to 3 percent next year, about the same level as forecast before the collapse.

In Italy, as in the other three, analysts see few signs of a sudden outbreak of the "wealth effect," a reluctance by people to spend money when they feel — or are — poorer. The Italian bourse has to any case been bearish for most of the year.

For the time being, there is less concern in Western Europe generally about the possibility of an abrupt drop in consumer spending than there is in the United States, where private stock ownership is much more extensive.

The upbeat tone of European analysts contrasts strongly with that of their counterparts in the United States, where there are widespread fears of recession.

In Britain, for example, Andrew Britton, director of the National Institute of Economic and Social Research, a leading independent forecasting organization, says that consumer spending next year is unlikely to be down by more than about a quarter of 1 percent compared with earlier estimates.

There has been no major scare among small investors in West

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Most Americans Oblivious to the Dollar's Travails

By John Mechan International Herald Tribune NEW YORK — A curious notion has arisen in the minds of Americans in recent weeks. It can be summed up simply: As the Dow goes, so goes the nation.

Unfortunately, in the opinion of many observers here and abroad, the dollar's momentous descent on world currency markets has failed to elicit a similar response.

Economists lecture to the U.S. news media that the periodic turmoil that besets foreign exchange markets ultimately affects everyone. A growing number are warning that the most recent decline in ever-new postwar lows could have

far-reaching economic consequences that could rival those produced by the Oct. 19 plunge in the Dow Jones industrial average.

But to most Americans the notion of the dollar's strength or weakness, or for that matter the inner workings of foreign-exchange markets, remains alien.

New York tabloid newspapers strained credulity after the stock market crash with such banner headlines as "Panic" and "Black Monday." The daily chronicle of the dollar's fortunes, however, has been dutifully tucked away in the financial pages.

"To many Americans, if Wall Street crashes, it's a crisis; if the dollar tumbles, that's too bad," said Stephen Marris, former senior economist at the Organization for Economic Cooperation and Development and now a policy specialist at the Institute for International Economics in Washington.

It is not that Americans do not care about the dollar or are unschooled in the finer points of international economics. The nation's worsening trade deficit and subsequent unemployment in the export industries that resulted from the strong dollar of the early 1980s have taught the public and politicians alike the importance of exchange rates.

"The average American is much more aware about the dollar than he was five years ago," said Susan Collins, professor of economics at Harvard University. "The trade issue clearly had a big impact."

Yet, the concern about the dollar and foreign exchange markets in no way resembles the deep anxiety felt about currency rates in Europe and Asia.

Despite the free-market philosophy so prevalent in the United States, economists still describe the United States as a "closed" economy; its dependency on imports and exports is small. Although the volume of U.S. trade has tripled over the past 20 years, the value of imports still amounts to only about 10

See DOLLAR, Page 2

Kiosk

U.S. Curtails Japan Sanctions

WASHINGTON (UPI) — President Ronald Reagan, citing progress in a trade dispute over computer chips, lifted \$34 million in sanctions against Japan on Wednesday. But he left in place a \$165 million in sanctions totaling \$165 million in place to force greater U.S. access to the Japanese market.

On Tuesday, the White House said the sanctions would be partially lifted following a finding that Japan was complying with an agreement not to dump semiconductors in third countries at below market prices. Washington imposed \$300 million in sanctions in April to retaliate for Tokyo's failure to allow freer trade in semiconductors.

Like Truman, Mr. Takeshita will take over as prime minister on Friday in an atmosphere of lowered expectations.

Like Truman, he follows one of his country's most popular leaders. Compared with Yasuhiro Nakasone, Mr. Takeshita casts a pale shadow of respectability on the country's highest office, and he immediately filled leadership posts. Most new party presidents wait a few days. But he apparently wanted to show decisiveness, not a trait for which he is noted.

As his friends see it, Mr. Takeshita may be able to succeed where Mr. Nakasone often failed. His strengths,

analysts to an unusual campaign to talk up Mr. Takeshita's virtues and to persuade them that he will work out fine. They argue that the new Japanese leader, again like Truman, may prove to be a man of surprising leadership skills and effectiveness.

On his own, Mr. Takeshita has begun trying to reshape his reputation. On Saturday, he became president of the Liberal Democratic Party, an essential first step before assuming the country's highest office, and he immediately filled leadership posts. Most new party presidents wait a few days. But he apparently wanted to show decisiveness, not a trait for which he is noted.

As his friends see it, Mr. Takeshita may be able to succeed where Mr. Nakasone often failed. His strengths,

they say, are talents that foreigners often view as weaknesses.

Mr. Takeshita is a careful, slow-moving builder of political consensus. His views on issues are not strongly held. In fact, his opinions are whatever those of the party happen to be at a given moment.

But he knows how to get things done in the Japanese political context. Mr. Nakasone, for all his vibrance, offended many fellow politicians with a manner that smacked of self-importance. It often cost him their support.

By contrast, Mr. Takeshita has a quiet talent for getting opposing sides to strike a deal. He heads his party's largest faction, one that is likely to grow still bigger. He is a master at raising and dispensing political funds. His contacts extend even to opposition parties, which do not wield great power but which sometimes can flex their muscles to a prime minister's discomfort.

Moreover, unlike many successful politicians, he seems to be well aware of his shortcomings.

"I don't think Takeshita is under any delusions about his limitations on certain kinds of policy," said Gerald L. Curtis, a Columbia University professor who is an expert on Japanese politics. That could be a strength, Professor Curtis added, because "he is willing to accept good advice."

In foreign policy, a Takeshita weak point, Mr. Nakasone is expected to

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Can Noboru Takeshita Be Harry Truman?

By Clyde Haberman New York Times Service TOKYO — Noboru Takeshita's supporters, recognizing that there are widely shared doubts about his abilities, are offering him up as a potential Harry Truman of Japan.

Like Truman, Mr. Takeshita will take over as prime minister on Friday in an atmosphere of lowered expectations.

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See JAPAN, Page 2

Status Game in Hollywood Office Decor: Pink Is Out, Marble In

By Aljean Harmetz New York Times Service LOS ANGELES — Dawn Steel, the new president of Columbia Pictures, does not have David Putnam's job, but she probably will use the former Columbia chairman's office. And when she moves onto the studio lot she undoubtedly will put Putnam's Biedermeier burwood sofa into mothballs and remodel his recently remodeled suite.

In Hollywood, offices are more than offices. For movie studio executives, the size, floor color and accessories of the place where one works are a map to status and money and a key to the subtleties of office politics.

The largest office is not necessarily the best. "It's all about how close your office is to Frank Mancuso's office, if you work at Paramount, or Bob Daly's office, if you work at Warner Brothers," said one vice president. "Can the chairman of the board drop by without climbing stairs?"

Three regimes ago at 20th Century-Fox, Clare Townsend spurred an office among the major executives on the first floor of the headquarters building. A vice president of production, she preferred being among the writers, producers and directors on the third floor.

"It felt more creative and less corporate up there," said Ms. Townsend, "but it was a political mistake." She lost the ear of the head of production, Sherry Lansing, and rather quickly left the studio.

Status is demonstrated by a private bathroom and an anteroom with two secretaries. Less obviously, it is apparent in one's telephone system. "You get high marks if there are people on your buzzer who are both above and below you," said Laurence Mark, a former vice president of production at both Paramount and Fox who is now producing movies for Fox. "It's important to be able to buzz up, not just buzz down."

It's also important to get the studio to spend as much money as possible on your office, thus emphasizing your value. A new vice president gets his walls painted and a change of carpet. When Leonard Goldberg became president of Fox a year ago, the remodeling of his office cost more than \$100,000 and included a working fireplace of gold-veined black marble.

Status symbols change. No top executive would be caught dead today with the thick white carpet favored by Louis B. Mayer when he ran MGM 40 years ago. Honey-colored hardwood floors are in. Mr. Goldberg has a herringbone design. The new floor in the office of Frank Mancuso, chairman of Paramount, is red oak.

Mr. Mancuso shocked Hollywood by spending more than two years in the office of Barry Diller, his predecessor, before remodeling. "I was less concerned about my office than about our films," he said. Once Paramount had fresh subsidies at the box office, Mr. Mancuso ripped out the carpet,

brought in a polished granite desk, and crammed the drawers with hidden telephones and switches that turn on the gas fireplace and open the window shades.

"I spend more hours here than I do at my home, so I decided it should be comfortable," he said. Unlike many executives, Mr. Mancuso wants his guests to be comfortable, too. Instead of separating himself behind his desk, he holds meetings at a round table, where tea is served to Wedgewood cups. In contrast, Frank Yablans, a previous head of Paramount Pictures, had a desk built on top of a platform in order to intimidate visitors.

Joe Hooper, the interior decorator for Mr. Mancuso and Mr. Goldberg, has been decorating offices at Fox and MGM for 21 years. In addition to bleached wood floors, he lists today's in-fashion materials as marble, granite and natural fabrics. "Ten years ago, everything was nylon," Mr. Hooper said. "Today it's chenille, wool, silk and leather. And the furniture is made out of exotic woods, including koa, Brazilian rosewood and burl elm." Pink — last year's color — is out, replaced by sea-foam green, aqua and cerulean blue.

The cost of remodeling an office ranges from \$20,000 to \$150,000, and any executive worth his stock options has an entertainment center that includes television monitors, a compact-disk player and half-inch and three-quarter-inch video cassette machines. And since sparseness is in style, the

executives can make their huge toys disappear into the walls by remote control.

Michael Eisner, chairman of the Walt Disney Company, is one of the few major executives to have a computer in his office. His huge blond desk is an animation director's table that was made at the studio long ago.

Although Mr. Eisner was known for a certain messy style when he was second in command at Paramount, chaos today is confined to the inside of drawers in his dazzling white Disney office. "The only way to deal with insane ideas is to shove things in a drawer and not find them for a year or two," he says.

In his recent brief tour of duty as Columbia chairman, David Putnam put down an oak floor in his office. The chosen requisite of Frank Price, one of the intervening studio heads at Columbia, was a dining room of his own.

Then Mr. Price moved to MCA as chairman of Universal Pictures, where there is little leeway in office decor, since Jules Stein, the founder of MCA, outfitted all the executive suites from his storehouses of antique English furniture.

The sardonic president of Paramount Pictures, Ned Tanen, survived 28 years at MCA. He received \$35,000 to redo his office when he moved to Paramount three years ago.

"But I'm the cheapest date in town," said Mr. Tanen, who never used the money.

See FRANCE, Page 2



Noboru Takeshita, Japan's new prime minister.

In Philadelphia, W. Wilson Goode claimed an election victory in his bid for a new four-year term as mayor. Page 3.

GENERAL NEWS

President Reagan tried to ease the fears of European conservatives about a nuclear arms agreement. Page 3.

BUSINESS/FINANCE

The Bank of England sanctioned a half-point cut in key British interest rates. Page 13.

Dow close: DOWN 18.24

The dollar in New York: DM 1.785 1.7845 136.65 5.798

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PEOPLE

Gorbachev Is Launched As International Analyst

In Washington, Soviet leader Mikhail Gorbachev got the first copy of "Perestroika," the book that outlines his restructuring program. It was presented by Michael Bess, a vice president of Harper & Row, who coincided with the Soviet leader's speech in Moscow. Bess said the 256-page book would go on sale in the United States and 17 other countries in two weeks. "It's an amazing propaganda book," he said, "not a special real book."

The Italian fashion designer Gianfranco Ferré was awarded the 1987 title of Vermeil of the city of Paris on Tuesday for his contribution to French fashion — a collection of 100 pieces in French, and he showed a collection only in France. There was a given in a ceremony at the Hotel de Ville by Alain Juppé, budget minister and minister of industry to Prime Minister Jacques Chirac, who is also mayor of Paris.

The Soviet pianist Leonid Breznev played a Liszt concerto at the Leningrad Philharmonic in the U.S. debut of the Fazioli concert grand piano — a 10-foot, 3-inch monster with four pedals, three-part lid and a fighting weight of 1,518 pounds. It is the piano of the Fazioli family, a pianist and tuner who formed a small company in 1981 near Venice, turning out a line of grand pianos topped by the F308, of which there are only 50 so far. At \$77,000 or so, the instrument, which sells for \$75,000, Harold C. Schreyer had a "clear, singing quality" and plenty of power, "but that the piano take some getting used to," Berman praised the F308 as a "canto piano," but said he had stopped loving his Steinway.

Deanna Rice, whose relationship with Gary Hart ended the Colorado senator's 1986 presidential hopes, has been out negotiating with him. Both Hart's attorney and a spokesman said the proposal was founded because of what called creative differences.

ANNOUNCEMENTS

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OFFICE SERVICES

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# Dole Urges Reagan To Step In as Talks On Deficit Meander

Compiled by Our Staff From Dispatches  
WASHINGTON — Senator Bob Dole, the Republican leader, urged President Ronald Reagan on Wednesday to step into budget negotiations, which participants say are meandering.

But Mr. Reagan complained that the Democrats were being inflexible in the talks and that his detractors were seeking excuses for their own past policies.

Failure to reach an agreement by the weekend on ways to cut the deficit in the 1988 fiscal year budget could further unsettle the financial markets, Mr. Dole said.

The Kansas senator, who is running for president, made his appeal to Mr. Reagan, a Republican, as Democrats expressed frustration with the budget talks, which involve White House officials and congressional leaders.

"I would hope we can have some agreement before Friday," Mr. Dole told the Senate. He said that the president "might call the group together or call the leadership together and indicate to us, and we can indicate to him at the same time, a willingness to do what we need to do."

The negotiators have focused on a plan to reduce the deficit by \$30 billion through equal amounts of spending cuts and increased taxes.

While Democrats complained that White House negotiators were inflexible on tax increases, Republicans charged Tuesday that Democrats were unwilling to try their best to consider further cuts in domestic spending.

Because of the inability to agree on a basic strategy, every proposal being presented behind the closed doors was going up "in a cloud of smoke," said one disheartened negotiator, Representative Silvio O. Conte, Republican of Massachusetts.

At the same time, partisan friction was building with the approach of automatic spending cuts under the Gramm-Rudman budget-balancing law. The deadline is only two weeks away, and each side has begun speculating that the other might be trying to scuttle the talks for political reasons.

Mr. Reagan, appearing with members of a newly appointed task force examining the workings of the stock market following the plunge in share prices two weeks ago, was asked by reporters about Democratic criticism of his negotiating stance.

"They're looking for an excuse for having created all these deficits," he said.

The \$30 billion proposal was offered by two Democrats, Lawton Chiles of Florida, the Senate Budget Committee chairman, and his House counterpart, Representative William H. Gray 3d of Pennsylvania.

The plan involves raising taxes and cutting spending by \$10 billion each this year and adding other deficit-reduction measures worth another \$10 billion. Those additional steps would include the sale of certain government assets and increasing tax-collection enforcement — measures that critics quickly denounced as easy but unreliable solutions.

Democrats accused the White House of turning aside all proposals for higher taxes. Shortly after the stock market plummeted on Oct. 19, Mr. Reagan had promised that everything but Social Security would be "on the table" in the negotiations.

Later, Mr. Reagan had urged further cuts in the deficit but had repeated the public warnings of some economists that too many new taxes too soon would "chill the economy."

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(LAT, Reuters)



ON THE LINE IN MANILA — A hooded informant, assigned by the Manila police to infiltrate local Communist organizations, inspected on Wednesday suspects held in connection with recent murders of policemen.

## Iraqis Hit 4 Ships and Kharg Island; Millions in Iran Rally Against U.S.

BAGHDAD — Iraqi warplanes attacked four ships in nine hours Wednesday and struck at Iran's Kharg Island oil terminal and Buzan oil fields, according to high command communiqués.

The attacks on ships were believed to be the highest reported by Iraq on a single day in the Gulf War.

Later, Mr. Reagan had urged further cuts in the deficit but had repeated the public warnings of some economists that too many new taxes too soon would "chill the economy."

Gulf shipping sources could not immediately confirm the shipping strikes.

Kharg Island has been hit more than 150 times since August 1985. Earlier Wednesday, millions of Iranians shouting anti-American slogans took to the streets for rallies aimed at showing Washington an iron-fist policy in the Gulf.

The Iranian news agency, IRNA, said the demonstrators included hundreds of thousands of troops as well as government officials. In Tehran, they headed for a huge rally in Azadi Square.

In calling the demonstrations, Prime Minister Mir Hussein Mousavi said he hoped they would be large enough to panic the Americans and shatter their morale.

In one demonstration, Tehran Radio reported, two people were killed and 26 were injured in a bomb blast at the Kurdish town of Mahabad, 340 miles (540 kilometers) northwest of Tehran.

The radio, monitored in Cyprus, blamed "mercenary agents of America" for the blast. The report said the bomb went off as the

marobers chanted, "Death to America."

Addressing the rally to Azadi Square, Hashemi Rafsanjani, the speaker of the Majlis, the Iranian parliament, condemned the U.S. naval presence in the Gulf and Washington's policy of economic embargo and military pressure.

"By their adventurist stance in the Persian Gulf, America's ring-leaders have neither achieved victory, nor earned a reputation for military fortifiability, nor frightened our revolutionary and great nation," Iranian radio quoted him as saying.

Mr. Rafsanjani declared "a week of preparation for confronting America in the Persian Gulf starting tomorrow."

But Mr. Rafsanjani did not repeat Iranian threats of military action against the United States.

Minesweepers Enter Gulf  
The U.S. Defense Department said Wednesday that three additional minesweepers had been sent safely through the Strait of Hormuz and into the Persian Gulf.

## Iran-Contra Panel Split, Draft Shows

WASHINGTON — The draft copy of the dissent by Republican members of the congressional committee investigating the Iran-contra affair concludes that President Ronald Reagan did not know the profits from arms sales to Tehran were diverted to the Nicaraguan rebels and assails the mostly Democratic majority for suggesting otherwise, it was learned Wednesday.

The draft of the 300-page dissent denounces the committee's proposed report as "a weapon to the ongoing guerrilla warfare" against the administration "instead of an objective analysis."

Extensive portions of the working paper, scheduled for release Nov. 13 with the committee's report, were made available to United Press International. The excerpts reveal key findings of the panel's draft report.

The panels' 1,400-page draft report, which is expected to be signed by all 15 Democrats and three Republican senators on the committees, leaves open the question of Mr. Reagan's role in the diversion of \$3.5 million in arms-sale proceeds to the Nicaraguan rebels, who are known as contras.

While the majority draft says no evidence has been found to indicate Mr. Reagan's awareness of the diversions in 1986, it accuses the panels of denied access to thousands of pertinent documents that had been destroyed by White House aides, according to the dissent.

However, the dissent by eight Republican members belittles the majority's refusal to accept Mr. Reagan's assertions that he knew nothing of the

"The conclusion that the president did not know about the diversions," the dissent says, "is one of the strongest of all of the inferences one can make from the evidence before these committees."

"Any attempt to suggest otherwise," it adds, "can only be seen as an effort to sow needless doubts in the hopes of reaping a partisan political advantage."

Swiss Deliver Accounts  
Earlier, The New York Times reported: Switzerland has turned over thousands of pages of secret bank documents to the special prosecutor in the Iran-contra affair, removing a final obstacle to the anticipated indictment of Lieutenant Colonel Oliver L. North and others.

The documents, which have been the subject of nearly a year of litigation in the United States and Switzerland, detail an elaborate plan to funnel money to Nicaraguan rebel groups.

The action on Tuesday by the Swiss Justice Ministry was seen as a victory for the special prosecutor, Lawrence E. Walsh.

According to legal sources, Mr. Walsh and his staff are expected to spend the next month studying the records; indictments would follow in December or early next year.

## WORLD BRIEFS

### UN Reports Afghan Conflict Worsens

UNITED NATIONS, New York (UPI) — A UN report on Afghanistan says the armed conflict there has intensified in recent months and that terrorism has intensified.

The report was prepared by Felix Ermacora of Austria, who has been allowed to visit Afghanistan for the first time since his appointment in 1984 as special UN rapporteur on human rights in that nation. The report is being submitted to the UN General Assembly, which has scheduled its annual debate on Afghanistan next week.

"A new feature of the conflict is the increase in the acts of terrorism against Afghans inside and outside Afghanistan," the report said. Mr. Ermacora blamed the situation in Afghanistan on the presence of an estimated 115,000 Soviet troops that have been there since Moscow intervened at the request of the Kabul government in December 1979.

### Spain Seeks End to U.S. Defense Pact

MADRID (Reuters) — Spain will formally tell the United States next week it plans to end a bilateral defense agreement whenever the outcome of fresh talks on cutting U.S. forces, the Foreign Ministry said Wednesday.

Negotiations over Spanish demands for the removal of a strategic wing of U.S. fighter-bombers stationed outside Madrid have been stalled for months. The talks are to resume in Madrid on Thursday.

Spain has repeatedly threatened to give six months notice on the 30-year-old defense pact, which expires in May, unless the United States agrees to a substantial cut in its military presence.

### Paris Charges 5 Caught With Missiles

PARIS (Reuters) — Five Irishmen arrested off the French coast aboard a ship carrying missiles, machine guns and other arms were formally charged Wednesday with trafficking weapons for terrorism.

They were brought under guard by train from the Atlantic port of Brest and arraigned at the Palais de Justice by Judge Jean-Louis Bruguiere, one of the top anti-terrorist investigators in France. They were identified as Adrian Hopkins, Dennis Boyle, Edward Friel, William Finn, and Henry Cairns. The police said that at least one of the names was assumed.

The arms included 20 Soviet-made SAM-7 surface-to-air missiles and a heat-seeking weapon that has long been sought by the guerrilla Irish Republican Army for use against British Army helicopters. They were discovered over the weekend on a Panamanian-registered cargo ship, the Elexand, Police sources said the ship had been loaded Oct. 14 by Libyan troops in Tripoli. Mr. Hopkins is the ship's captain.

### Karpov Holds Advantage in 9th Game

SEVILLE, Spain (Reuters) — Anatoli Karpov, the challenger in the world chess championship, held a clearly advantageous position Wednesday when the ninth game was adjourned. Garry Kasparov, the champion, sealed his 43d move. The game is to resume Thursday.

### For the Record

The Reverend Jerry Falwell, leader of the fundamentalist Christian political group Moral Majority, has announced that he is giving up politics and returning full time to his church in Lynchburg, Virginia, and his television ministry.

Amnesty International, the human rights monitoring group, urged Singapore on Wednesday to release six prisoners accused last spring of involvement in a Marxist plot to overthrow the government and accused it of mistreating them to extract confessions. There was no immediate comment from the government.

British labor unions would be barred from disciplining strikers in a bill given preliminary approval Tuesday in the House of Commons. The measure, sponsored by the Conservative government, goes to committee for review and is virtually assured of passage on a final vote.

A South Korean diplomat, Do Chae Sung, who was released by his kidnappers in Beirut on Saturday, arrived in Seoul. He said he was constantly blindfolded during his 21 months of captivity.

### TRAVEL UPDATE

#### Frequent Fliers Back Deregulation

WASHINGTON (AP) — More than half the frequent air travelers surveyed by an international airline passenger group in the United States say they consider airline deregulation a success.

The survey of 30,000 travelers worldwide was conducted by the International Airline Passengers' Association, whose members take an average of 14 round-trip flights a year.

It showed that convenient, on-time flight schedules are the top priority of the frequent fliers. The comfort of the cabin seats were second, followed by "safety and security," according to the study, which was conducted in the spring. The survey showed American Airlines, Delta Air Lines and United Airlines as the most preferred air carriers in the United States. When international carriers were included, Swissair came in third, pushing United to fourth.

Calogero Mannino, the Italian transport minister, said Wednesday that he would permit resumption of flights by ATR-42 turboprops, which were grounded after a crash Oct. 15 in the Italian Alps that killed 37 people.

Installation of fire-resistant linings in airliner baggage and cargo holds was recommended to Washington on Wednesday by the Federal Aviation Administration, the U.S. government air safety agency.

### Correction

Due to editing errors in a Special Report on the Netherlands published Monday, some comments were misattributed. In an article on the Groningen gasfield, a quotation indicating the extent of land subsidence to be expected should have been attributed to Wiel G.J. Huijnen, a government energy specialist. A comment dismissing claims that subsidence causes damage to homes was made by Frank Dunt, spokesman for NAM, the Netherlands oil company. In an article on The Hague, a quotation characterizing dance companies to The Hague and Amsterdam should have been attributed to Ad J.E. Havermans, burgomaster of The Hague.

## ZHAO: China's Party Leader Suits Up for the New Job

(Continued from Page 1)

of reasserting the primacy of strong central planning, strengthening the power of local party bosses in government and enterprises, and standing the mounting contacts with the West.

Toward summer, with the convocation of the congress before them, Mr. Deng and Mr. Zhao gradually reasserted their authority. How they accomplished this is hidden by the walls of secrecy behind which China's leaders work. But some Chinese and Western diplomatic analysts say they believe that the hard-liners presented no substantive alternatives to cootiating change.

As the opening of the congress became imminent, Mr. Zhao, according to some Chinese, laid his cards before Mr. Deng and said essentially that he either got what he needed out of the congress to pursue his policies or there was no point in going on.

Although the exact terms of Mr. Zhao's demands remain unclear, he emerged from the congress surrounded by colleagues on the Central Committee who largely supported his program.

He also rid himself of major conservative opponents. Gone from the inner circle of the party are Chen Yun, 82, Peng Zhen, 85, and Li Xiannian, 78.

At the pinnacle of power, the Standing Committee of the Politburo joins Mr. Zhao with four other men — Li Peng, Qiao Guh, Hu

Qili and Yao Yilin. Although generally supportive of the policies laid out by Mr. Zhao, they are considered more cautious in their approach.

In outlining his agenda for the coming years, Mr. Zhao has evidently given ground to no one. He declared that the reordering of the economy would continue and that market mechanisms would be increasingly used to balance supply and demand and to set prices.

He urged the wider use of stocks and bonds to raise revenue for industry, the commercialization of housing and the growth of the private sector.

Mr. Zhao also said that to time a civil service would be introduced to professionalize the government, that mandatory retirement for officials would be enforced and that the party would be eased out of a direct role in government and industry.

## FRANCE: Report Cites Mitterrand

(Continued from Page 1)

ered" by several high-ranking Defense Ministry officials, including Mr. Heru's top aide, Jean-Francois Dubois.

The report said that Admiral Pierre Lacoste, at the time the head of France's foreign intelligence service, told Mr. Dubois in February 1984 of Luchaire's suspicious exports, which were said to have involved false end-user certificates

for Yugoslavia, Brazil, Thailand Turkey and Ecuador. Mr. Dubois said to have responded, "Not seen, no caught."

On May 21, 1984, Admiral Lacoste raised the issue with President Mitterrand himself and was told to inform Defense Minister Heru, according to the report. A spokeswoman for the president said Mr. Mitterrand would make no comment on the issue, which is the object of a judicial inquiry.

The inspector-general cites Mr. Dewarria as saying that he gave "relatively unimportant sums" — \$410,000 to \$500,000 — to an associate of Mr. Heru but that "no sum was given to the Socialist Party or to authorities of the ministry."

In his own conclusion to the report, Mr. Barba said he believed that the Defense Ministry officials turned a blind eye to the illegal arms transactions largely out of "economic and social preoccupations" — that is, because of concern over Luchaire's survival and the state of France's flagging arms industry. But he added that this "did not exclude" the possibility that about \$500,000 may have been given to the Socialist Party.

The Barba report reveals that in December 1985, Roland Dumas, the Socialist foreign minister, intervened with Le Canard Enchaîné, a satirical weekly, to prevent it from breaking a story on Luchaire's sales of 155-millimeter and 230-millimeter shells to Iran.

In a telephone interview, Mr. Dumas, who is the weekly's lawyer, said he had intervened because he feared that a revelation about arms sales to Iran might at that time have impeded negotiations he was conducting with Iranian officials for the liberation of French hostages held in Lebanon.

## DOLLAR: Americans Oblivious

(Continued from Page 1)

percent of the nation's gross national product.

The ratio to some European nations is about 50 percent, which best explains Europe's preoccupation with foreign exchange stability and the existence of the European Monetary System.

Moreover, the dollar remains the world's reserve currency. Because most commodities are priced in dollars, there is little danger that the U.S. economy will have to suffer a "third oil shock." The phrase was coined in the 1982-84 period when European economies and Japan strained to keep up with surging dollar-denominated energy costs despite declining prices on the world's oil markets.

Not surprisingly, exchange rate movements, however slight, have an almost immediate impact on European consumers. In the United States, the dollar's steep decline to value — about 50 percent against the Deutsche mark and the yen since 1985 — has still not produced a level of price discomfort that it would have in a smaller economy.

To be sure, the prices of Toyota cars and French perfume has risen more than those of American products. But the alarm sounded most often by economists — that every 10-percent decline in the value of the dollar adds another percentage point to the inflation rate — has yet to ring true.

In fact, the willingness of European and Japanese manufacturers to protect their market share at the expense of profit margins has only served to insulate the American consumer even more.

"When a Frenchman hears that the franc is being devalued, he knows right away his money is

worth less; inflation is on its way," said Mr. Morris. "This just isn't the case in the United States."

These fundamentals probably best explain why the dollar has never emerged as burning issue on the U.S. political scene. In Europe, the value of a country's currency seems to be inextricably caught up to its national consciousness, as much a matter of pride as economics.

As France under the leadership of President Francois Mitterrand, a Socialist, sought yet another devaluation of the franc within the EMS in 1983, the battle cry of opposition groups was "Paixre franc, pauvre France." And the debate at home became so fractious that France quarreled publicly with West Germany until it had won a smaller devaluation to help still domestic critics.

In the absence of a sudden dollar free-fall, such a dispute is unlikely in the United States, much to the dismay of foreign governments who fear Washington will always be slow to respond to currency issues as long as its constituency does not complain.

The litany of complaints from U.S. trading partners, analysts contend, had little to do with the Reagan administration's decision to reverse its laissez-faire currency policy to 1985. Instead, they credit effective lobbying by U.S. manufacturers for the sudden awareness in Washington that the value of the dollar was just too high.

"Even with the dollar depreciating as it has, if you ask Americans if they are less well off now than when the dollar was strong, the answer is no," said Stephen Leach, an analyst with Chemical Bank's foreign exchange advisory service.

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## SOVIET: Russian Calls for Review

(Continued from Page 1)

the groundswell laid in a speech by Mr. Gorbachev on Monday.

The speech was seen as a compromise on several key historical topics, including the Stalin era. But several Soviet historians insisted Wednesday that the speech was not meant as the last word on the interpretation of history.

"It gives us a very broad possibility for creative work and study," Mr. Smirnov said.

Mr. Gorbachev, in his comments Wednesday, referred to the historical section of his speech when he said Moscow had "once and for all overcome the attempts at trifling

with history when, at times, we believed what we wanted to believe rather than what was."

Other signs seemed to indicate the campaign for a review of traditional Soviet approaches to history was continuing unabated. The issue of the weekly Moscow News published Wednesday carried a harsh attack on Leonid I. Brezhnev, whose 20-year rule until his death in 1984 is increasingly blamed for the stagnation and failures of Soviet internal and foreign policy.

Although information about the 1968 invasion of Czechoslovakia was tightly controlled in the Soviet Union, the invasion had a reverberating effect. Moscow's reaction to the Czechoslovak experiment with democracy caused disillusionment among Soviet intellectuals and spurred the beginnings of the dissident movement.

Some analysts have compared the opening of Soviet society and debate under Mr. Gorbachev to the freedoms in Prague in the spring of 1968. But the comparison is ill-suited because to the Soviet Union, unlike Prague, the party is in firm control of the process of change.

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## JAPAN: A New Prime Minister Looks for an Image

(Continued from Page 1)

he is likely to press for gradual increases in the Japanese military budget.

But the departing prime minister says that Japanese diplomacy now "will be based on domestic reform" specifically on its ability to implement oft-repeated promises to restructure its economy. On many of these matters, Mr. Takeshita, 63, is hardly a novice.

One immediate problem is Japan's relations with the United States, at a low ebb now because of endless trade frictions and the sale of militarily sensitive Japanese technology to the Soviet Union.

## Correction

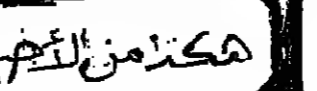
Due to editing errors in a Special Report on the Netherlands published Monday, some comments were misattributed. In an article on the Groningen gasfield, a quotation indicating the extent of land subsidence to be expected should have been attributed to Wiel G.J. Huijnen, a government energy specialist. A comment dismissing claims that subsidence causes damage to homes was made by Frank Dunt, spokesman for NAM, the Netherlands oil company. In an article on The Hague, a quotation characterizing dance companies to The Hague and Amsterdam should have been attributed to Ad J.E. Havermans, burgomaster of The Hague.

stratospheric land prices. Mr. Takeshita must deal with this problem quickly, for it is a dominant issue in a country where home ownership is an evaporating dream for young couples. Property values are so high that in the Ginza business district a piece of land the size of this page can cost \$43,000.

In the opinion of many political analysts, Mr. Takeshita's biggest obstacle may be the circumstances that he prizes. He is so eager to forge compromise, they say, that he tends not to speak his mind clearly, thereby raising questions about his leadership skills.

It is on that critical score that Harry Truman analogies breed doubt.

"With Takeshita, the biggest doesn't stop there," a Western diplomat said. "It keeps going 'beyond and beyond.' He'll keep trying to build consensus no matter what."



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Frequent Fliers Back Deregulation...  
Correction...  
JAPAN: A New Prime Minister Looks for an Image...  
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# Reagan Reassures Europe Conservatives

By Joseph Fitchett  
*International Herald Tribune*

PARIS — President Ronald Reagan offered pledges on Wednesday that were designed to allay disquiet among conservative Europeans that the medium-range missile treaty with the Soviet Union will increase momentum toward eliminating all nuclear weapons in Western Europe.

Mr. Reagan said the United States would oppose further nuclear disarmament in Europe until the Soviet Union cut its chemical weapons and conventional forces.

He also welcomed moves by European governments to improve military cooperation among themselves, praising the seven-nation Western European Union for its recent declaration saying that mutual deterrence remained important for European security.

"The unusual format of the presidential message—a speech recorded in Washington and broadcast only in Europe by Wordnet, a satellite system operated by the United States Information Agency—appeared to reflect the Reagan administration's concern over fears

expressed privately by some European officials about the implications of a treaty that their governments publicly support.

The Reagan administration, U.S. officials said, sees European support for the missile accord as a valuable asset for Senate ratification of an intermediate nuclear forces treaty. European defense ministers have agreed to back the treaty during Senate hearings, according to reports from Monterey, California, where a meeting of NATO's Nuclear Planning Group was concluding.

The ratification process is also expected to produce reassurances about U.S. determination to defend Europe, according to American diplomats in West Germany, which was the base for the Pershing-2 and many of the cruise missiles to be eliminated.

West German public opinion overwhelmingly supports nuclear disarmament, according to German surveys, and the coalition government supports an INF treaty.

But officials in Chancellor Helmut Kohl's Christian Democratic Party have opposed further nuclear

reductions under a proposal sometimes called "triple zero." The proposal would eliminate battlefield nuclear weapons like the Lance missile after the "double zero" plan to scrap the two categories of missiles—those with ranges of 500 to 5,000 kilometers (300 to 3,000 miles)—covered by the INF agreement.

U.S. policy had been unclear about any linkage between battlefield nuclear weapons and the strength of Soviet armor and troops in Europe. In his speech, Mr. Reagan said, "We have agreed with our allies that the existing imbalances in conventional forces and chemical weapons must be redressed prior to any further nuclear reductions in Europe."

A high-level group in the North Atlantic Treaty Organization has already started formulating an approach to cutting battlefield nuclear weapons that would divide them into two categories, those with ranges of 150 to 500 kilometers and those below 150 kilometers, according to West German diplomatic sources.

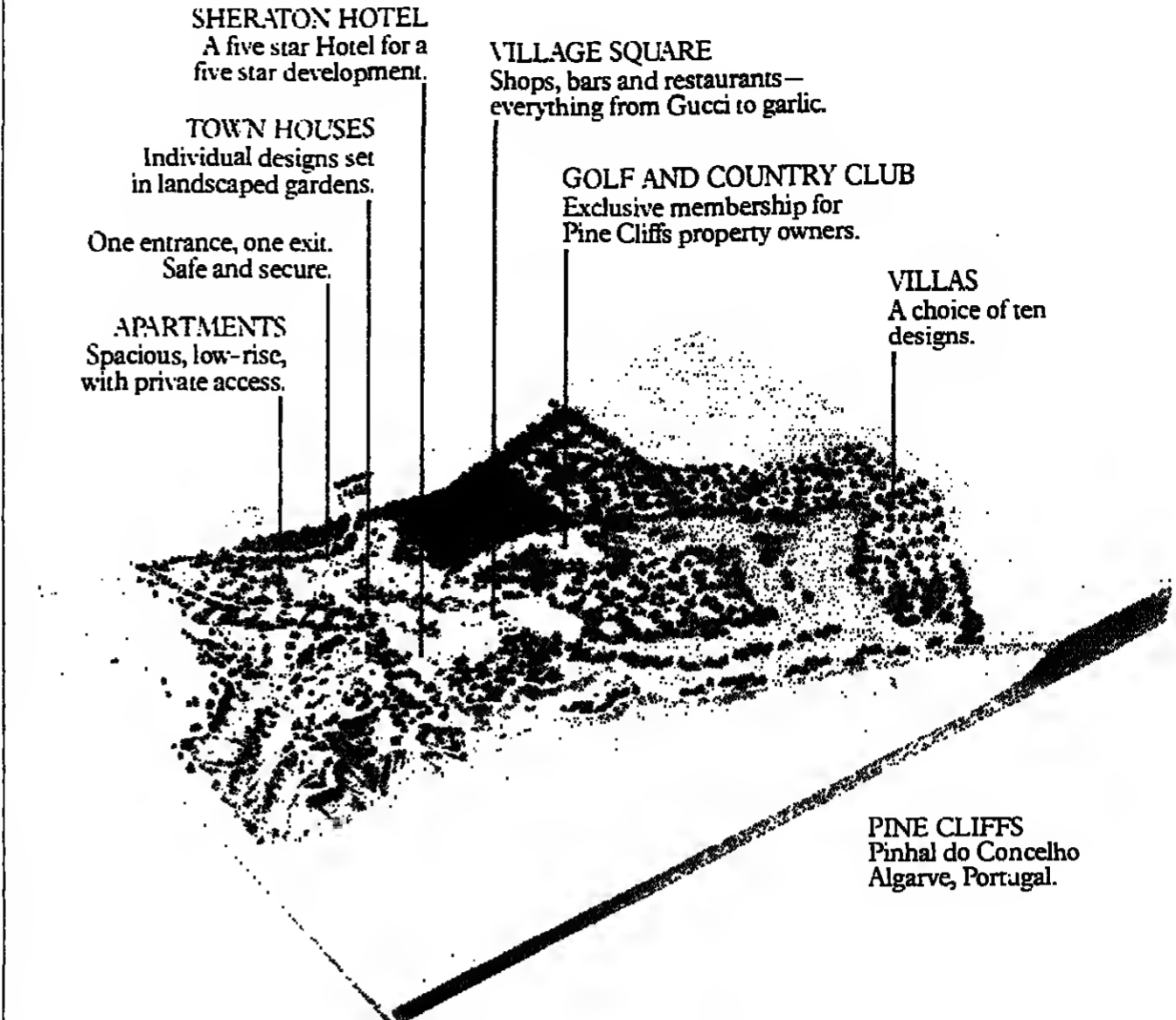
This would protect the Lance missile, the most important nuclear arm that will remain with NATO in West Germany after an intermediate nuclear forces treaty goes into effect. The Lance has a range of 130 kilometers.

Mr. Reagan's remarks appeared to tie progress on battlefield nuclear weapons to talks on conventional force cuts, which are expected to drag on.

The U.S. defense secretary, Caspar W. Weinberger, said at the NATO meeting that the alliance would maintain its intermediate-range forces until the INF treaty was ratified. Belgium and the Netherlands reportedly want the United States to stop deploying cruise missiles immediately.

**NATO Aides Back Treaty**

The NATO defense ministers, winding up a two-day meeting, gave strong support on Wednesday for a prospective superpower agreement banning medium-range nuclear missiles, and they called for quick ratification by the Senate. Reuters reported from Monterey.



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# Post-Weinberger: Hard-Liners Lose a Voice

By David K. Shipler  
*New York Times Service*

WASHINGTON — The resignation of Caspar W. Weinberger as secretary of defense, which is expected to be announced later this week, seems likely to change the chemistry of policy making during the final 14 months of President Ronald Reagan's term, according to administration officials.

"As part of a series of changes, first divulged Monday night, Mr. Weinberger, ostensibly for personal reasons, is due to leave office. He is expected to be replaced by Frank C. Carlucci, now Mr. Reagan's national security adviser.

In turn, Mr. Carlucci will be succeeded as head of the National Security Council staff by Lieutenant General Colin L. Powell, who is Mr. Carlucci's deputy, administration officials said.

Although Mr. Carlucci has staked out some hard-line positions on arms control and other issues, he lacks the long, close friendship with Mr. Weinberger that has proved effective in promoting the tougher views. He also seems not to share Mr. Weinberger's deep suspicion of Moscow.

The officials said a formal announcement about the Pentagon post was being delayed until Mr. Weinberger could return to Washington from California, where he was attending a meeting of the North Atlantic Treaty Organization's nuclear planning group.

There are "no policy reasons" for Mr. Weinberger's resignation, a former official said. "It wouldn't be in his character to quit for policy reasons," the official said. "He'd stay and fight."

Rather, another former official said, Mr. Weinberger is tired, has considered resigning for some time and has been moved to do so now by the deteriorating health of his wife, Jane, who has cancer.

The shifts come at a pivotal period, both in Soviet-American relations and in the Pentagon's budget squeeze. When seen against the background of other departures and new appointments in recent years, they seem to further a process that has moved the administration away from ideological conservatism toward centrist moderation,

especially in the field of arms control.

The change also brings to an end the most overt rivalry in the administration—that between Mr. Weinberger and Secretary of State George F. Shultz, who have often been at odds over arms control and the use of military force.

But there is disagreement among senior administration officials over how different the resulting policies are likely to be after Mr. Carlucci moves to the Defense Department.

"Carlucci is tough," a senior official said. "He's not a patSY. He was pretty firm in Moscow the week before last," when he accompanied Mr. Shultz to talks with Soviet leaders.

How this will translate into policy, however, is a question. "When the chips were down, and Weinberger really wanted something, you had the feeling he could get it," the official said.

Some noted that Mr. Carlucci, who served as Mr. Weinberger's deputy at the Defense Department, sounds much like Mr. Weinberger on certain arms control issues, and they said they expected him to reflect many of the views of his new constituency in the Pentagon.

In talking about the president's proposed space-based missile-defense system, the Strategic Defense Initiative, for example, Mr. Shultz has described it as a research program, saying the administration had not yet decided whether it was feasible and could be deployed. By contrast, Mr. Carlucci, like Mr. Weinberger, has said that deployment will go ahead.

Similarly, Mr. Carlucci reportedly got into an argument during a seminar several months ago with Paul H. Nitze, a special adviser on arms control to the president and the secretary of state, over the idea of negotiating with the Russians on SDI.

Moscow has proposed, and Mr. Nitze has endorsed, negotiating a list of components whose testing in space would be considered prohibited by the anti-battlefield missile agreement of 1979. Mr. Carlucci vehemently opposed any such bargaining, supporting the president's position that the treaty did not envision any such ban.

Mr. Carlucci and Mr. Shultz have also had their differences, most notably last summer, when Mr. Shultz wanted to embrace the Central American peace plan signed in Guatemala. Mr. Carlucci opposed this and blocked the sending of Philip C. Habib, the special envoy for Central America, to the region. Mr. Habib resigned in bitterness.

The most immediate task facing Mr. Carlucci at the Pentagon will be to plan for the deep cuts in military spending that now seem unavoidable.

# Democrats Win 2 Governors' Races, Cooling Republican Hopes in South

*Compiled by Our Staff From Dispatches*

LOUISVILLE, Kentucky—Republican hopes of expanding their beachhead in Southern and border states were set back Tuesday as Democrats won two governors' races in Kentucky and Mississippi.

Wallace Wilkinson, a self-made millionaire and political novice, pulled to a landslide victory over his underfinanced Republican opponent, state Representative John Harper, in one of the most lopsided races in Kentucky history.

With 97 percent of the precincts reporting, Mr. Wilkinson had a record 65 percent of the vote.

In Mississippi, State Auditor Ray Mabius, a Democrat facing a tougher challenge, appeared to have beaten Jack Reed, a Republican businessman, by a smaller but still decisive margin. With almost half the precincts reporting, Mr. Mabius led 55 percent to 45 percent.

Mr. Reed, the chairman of a committee that overhauled the state's school system, was viewed as the strongest Republican candidate in an assembly. But no Republican has won the Mississippi governor's office since Reconstruction.

Only three states held off-year elections for governor this year. Republicans, who picked up governorships in four Southern states last year, hoped Southern and border states would continue a trend of party realignment away from the Democratic Party.

But U.S. Representative Robert L. Livingston Jr., the Republican hopeful in Louisiana, was beaten by two Democrats, U.S. Representative Buddy Roemer and Governor Edwin W. Edwards, in an election last month. Mr. Roemer won the governorship without a runoff election after all his opponents, including Mr. Edwards, dropped out.

"This year shows Republicans have been blowing smoke about party realignment in the South," said Chuck Dolan, executive director of the Democratic Governors' Association. "They only win when Democrats beat themselves."

It is hazardous to make sweeping generalizations about governors' races, however. They are waged over local issues and involve local traditions and personalities.

Meanwhile, in Philadelphia's mayoral race, Mayor W. Wilson Goode, a Democrat, claimed victory in his drive for a second term. But his Republican opponent, former Mayor Frank L. Rizzo, who was trailing narrowly in unofficial polls, refused to concede. He will await official certification of the race later this week.

With 1,733 of 1,739 precincts reporting, the unofficial tally gave Mr. Goode 332,396, or 51 percent,

and Mr. Rizzo 318,527, or 49 percent.

If Mr. Goode's lead holds in the official tally, he will have achieved a triumphant recovery from severe political adversity in the nation's fourth most populous city.

Things went smoothly for Mr. Goode until May 13, 1985. In an attempt to oust members of the radical group Move from their headquarters in a row house, the city police dropped a firebomb on the roof. The resulting blaze killed 11 of the house's occupants, including five children, and destroyed 61 surrounding homes.

Mr. Goode, one of the most prominent black Democrats in the country, was widely criticized as having lost control of the situation as it was unfolding.

The flamboyant Mr. Rizzo was making his second attempt at a comeback after eight turbulent years as mayor in the 1970s.

In 1983, Mr. Goode defeated Mr. Rizzo in the Democratic primary and went on to win the general election. This year, after having switched parties, Mr. Rizzo won the Republican nomination.

In Baltimore on Tuesday, Kurt Schmoke, a Democrat, defeated Samuel Calotta, the Republican, in the city's mayoral race. In Boston, Mayor Ray Flynn was re-elected, defeating City Councilor Joseph M. Tierney. In Houston, Mayor Kathy Whitmire easily defeated six opponents and won a fourth two-year term.

In Miami, Mayor Xavier Suarez was forced into a runoff Nov. 10 with former Mayor Maurice Ferré. In San Francisco, state Assemblyman Art Agnos led an 11-candidate field trying to succeed Mayor Dianne Feinstein, but he was forced into a runoff Dec. 8 against Supervisor John Molinari.

Elsewhere on Election Day, the nuclear power industry won a victory in Maine, where voters rejected an effort to shut the state's only nuclear power plant. The vote on the future of the Maine Yankee plant capped a campaign that was closely watched by both supporters and opponents of nuclear power around the country.

Voters in Virginia approved a state lottery, a proposal that had been rejected repeatedly over the last decade by the state legislature. Many voters said in opinion surveys that they believed the lottery would prevent a tax increase.

In New Jersey, voters rejected a \$185 million bond issue to build a Major League baseball stadium across from New York City. They approved \$198 million in bonds for prison construction and \$100 million in bonds for preserving historical sites and building cultural centers.

In Pennsylvania, a \$100 million bond issue was approved to acquire farmland to protect it from development.

Voters in Baltimore narrowly defeated an amendment to the city charter that would have required the city to provide a residence for all its homeless.

In the District of Columbia, voters rejected a proposed "bottle bill" that would have required consumers to pay a deposit on disposable beverage containers. National beverage wholesalers spent nearly \$2 million to defeat the measure.

Ohio voters rejected a proposal to have the state's 65 top judges appointed by the governor, rather than elected, as is now the case. Ohio labor unions were among the leaders of the drive to preserve the "sacred right" of citizens to vote for their judges. (WP, NYT)

**EL UPDATE**

**Back Deregulation**

More than half the frequent flyer program members in the United States are expected to opt out of the program, according to a survey conducted by the Airlines Association, whose members fly a year.

Out-of-time flight schedules are the most common complaint of frequent flyer program members, according to the survey. The survey showed American Airlines to be the most preferred air carrier in the world, with Swissair second.

Swissair was included in the survey because of its frequent flyer program, which is expected to be discontinued by the end of the year.

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OPINION

Herald INTERNATIONAL Tribune

Strains in the Kremlin

The advance word on Mikhail Gorbachev's anniversary speech had been that it would rip the veil off 70 years of Communist deception. Either friends or foes could have spread this word: friends to encourage his boldness, foes to build up false expectations. But in the event, the speech was relatively restrained. Some but not much candor was restored to the official reading of Soviet history, notwithstanding Mr. Gorbachev's pledges to leave "no blank pages." Less was said about Stalin's murders, and with less passion, than Nikita Khrushchev offered 30 years ago. "Selfish" conservatives and "impatient" liberals were paired as threats to reform. The speech was essentially a rationale for tactical caution.

Deng's Line Continues

The distinguishing mark of China's 13th party congress was its steadiness, the legacy of a decade under the skillful hand of Deng Xiaoping. "The Big 13," as the Beijing press called it, brought few real surprises. The smoothness of the event underlined the continuing success of Mr. Deng's bloodless revolution from the top. Zhao Ziyang, acting party chief, took the title and vowed to continue Mr. Deng's pragmatic reforms. The old leader led the ruling Politburo with most of the aging conservatives in tow. Mr. Deng, though, is far from being out of power. And for all the bright rhetoric and air of compromise at the congress, hard times lie ahead.

Impasse on the Deficit

How far does the stock market have to fall, and for how long, to force the White House and Congress into a compromise on the budget? Last week's air of desperate urgency evaporated with remarkable speed once the market began to rise again. Tuesday's yo-yo ought to be sufficient evidence that the market is still dangerously off balance. The budget impasse in Washington is feeding the anxieties that the market is reflecting. The basic difference between Congress and Ronald Reagan lies deeper than the stale quarrel over spending priorities. Most of the congressional negotiators, of both parties, think that the budget deficit makes a real difference. Mr. Reagan continues to believe that it really doesn't. He seems to believe that it affects public psychology, like a rainy weekend, but that the antidote is a little sunshine. The possibility that the deficit might have a direct antithetical effect on stock prices remains foreign to him. How could that be, when stocks rose dramatically through five years of huge deficits?

Other Comment

A Wan Irresolution

The crucial story in America this week has nothing to do with summits and everything to do with the failure of American politicians to cast eyes beyond increasingly narrow domestic horizons. Last week a series of crashes unhinged world stock markets and raised the specter of recession. Something had to be done. Mr. Reagan weakened on tax rises. Congressional leaders were summoned to high meetings. The news, at last, was that the crippling budget deficit would be brought under control. And this week? Wall Street has steadied a trifle. Panic is allegedly receding. And the budget deficit talks are getting nowhere, perambulating more and more fruitlessly down the primrose path from \$50 billion to \$23 billion to \$8 billion, with all manner of scribed oaths — defense among them — suddenly declared. There is, at this point, no sign that Congress and the administration understand how vital their task is — for us and for them.

be done. But no one on the inside responds. That may merely be the way of modern American politics; institutionalized conflict abroad, institutionalized inertia at home. But it is also a terrible way to run a superpower. — The Guardian (London).

Murdered in El Salvador

The killing of Herbert Anaya Sumbria, the head of El Salvador's nongovernmental Commission on Human Rights, offers jolting testimony to how fragile the hopes for peace and order are in that Central American country. The notion that Nicaragua alone must reform is a cruel lie. Mr. Anaya was the seventh official of the commission to die or disappear in the last seven years. His death offers a further compelling and ironic testimony of how much his critics reflected the truth about the persistence of death squads. If the Arias peace plan is to have a chance at lowering the level of violence in Central America, it cannot be one-sided. Right-wing death squads may not trouble Washington as much as the Sandinistas, but they are an insidious threat to peace. The dehumanization of El Salvador remains a goal only imperfectly addressed thus far. — The Detroit Free Press.

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The Imbalances Are Everybody's Business

By Robert J. Samelson

WASHINGTON — It was predictable: Once the stock market crashed, Congress and the White House would try to make a new deal on the budget. In the 1980s, popular thinking about economics has degenerated into a theory of original sin. All evil flows from big budget deficits. Presto! The crisis would end if the sinners repented and reduced those immoral budget deficits. Alas, the solution isn't so simple. We live in an era of global economics and local politics. Nervous stock markets reflect more than exasperation with Washington's perpetual budget paralysis. There is a more basic fear that the world economy is slowly grinding to a halt.

At issue is one of the great conflicts of our time: the collision between sovereign states and stateless economic forces.

less competitive. The U.S. trade deficit inevitably grew, while foreign surpluses mushroomed. Some economists say that budget deficits caused high U.S. interest rates and the dollar's appreciation. This, too, is mostly a myth. High "real" (inflation-adjusted) interest rates in the 1980s stemmed primarily from the Fed's anti-inflationary policies. The Fed tightened credit enough to break inflation. If budget deficits had further increased interest rates, consumers and businesses would have had trouble borrowing. They didn't. Indeed, they went on a borrowing binge. Business and household debt rose about 12 percent annually between 1983 and 1986. Low inflation enabled the Fed to foster easy credit conditions. The flood of imports and lingering unemployment from the 1981-82 recession restrained wage and price pressures. For many borrowers, the tax deductibility of interest cut true borrowing costs.

America and Japan Should Sit Down and Make Up

By Kenichi Ohmae

This is the second of two articles.

TOKYO — Paul Volcker, when he was Fed chairman, and Treasury Secretary James Baker apparently decided to use currency rates to adjust the U.S. trade imbalance. It is the United States, not Japan or Europe, that has messed up the world financial system, mainly through its bold experimental attitude toward manipulating currency exchange rates — from 250 yen per dollar to 137 yen in a year's time and its large government deficits. Instead of correcting the deficits, the United States has been asking West Germany and Japan to lower their interest rates, so that capital can continue to flow to the United States. Why shouldn't America raise its own interest rate? Well, American officials say they cannot do so without hurting consumers and farmers. Thus, Japan has been financing one-third of the U.S. government deficit, mainly through the purchase of Treasury bills and bonds.

two financial superpowers, should sit down and work out the details of such a financial détente, of how we can get out of the current mess. They should discuss the benefits of forming a common market, the merits of America issuing some securities pegged to the yen (to signal its seriousness about currency stabilization) and how Japan's hyperinflation and low prices the root cause of the super-liquidity being exported from Japan — can be brought down without sending another shock wave through world financial markets. We need to work out long-term solutions in the interest of both countries and the rest of the world. Hopefully, the spirit of the meeting will be a new one: The United States needs to depart from its traditional style of hegemonic leadership. Japan should graduate from its time-honored habit of excusing itself and play a real leadership role commensurate with its economic influence.

America's Farms Keep Getting Bigger and Fewer

By Richard Critchfield

FESSENDEN, North Dakota — Is something being lost? It is a question being asked in rural America after six years of hard times. Land values are low what they were in 1981. So many small towns are dying. Farms get bigger and fewer. When you drive around the Midwest, abandoned farms are now a common sight. Often the buildings are bulldozed away. It is nothing like "The Grapes of Wrath," when the Dust Bowl blew away their farms. Nor like the blacks of the Deep South, who were replaced by mechanical cotton pickers. Still, one is

Does this mean that the bigger farms get, the better? No. During 124 years in rural Iowa and North Dakota this summer, critically, everyone agreed that a medium-sized farm — about 1,300 acres (48 hectares) in wheat-growing North Dakota, about 600 acres in corn- and soybean-growing Iowa — is usually more efficient than either a too small or a too large farm. The idea that faceless corporations are taking over U.S. farming is a myth. What happens is that big family farms swallow up little family farms. Tied to technology, this could be a recipe for disaster.

No constituency yet exists either for redistributing land or for putting limits on its acquisition.

reminded of Archibald MacLeish's Depression poem, "The Farm." "Toss, why do you wait? Gesticulate, with hopeless fluttering hands." "Sure, something's being lost," says Charlie Eldredge, a farmer who edits a weekly newspaper in Fessenden. "You know, people are being lost. The culture is disappearing. The number of us diminishes, diminishes. People are leaving the farms. Whether by accident — that's the most common way — or by death or going belly up or bankrupt, the homesteads are being bulldozed down and plowed up. And there's a family that used to live there, that used to come to town to buy its groceries, buy its clothes, buy its fuel, its iron, its shoes. There is no family." Not everybody agrees. "So what if farms are getting fewer and the old farm communities die or get turned into bedroom towns?" asks Michael Balde, Methodist minister in Viola, Iowa. "Is something so terribly valuable to American culture being lost? No. No, I don't think anything is being lost. I think anxiety is caused by people not understanding this. They want the picture to stay as it was in 1960, or 1940. That's never possible." The question matters to all Ameri-

them. The United States cannot singlehandedly solve the world's economic problems. Suppose it lowers its budget deficits. That might slow the U.S. economy and its ravenous appetite for imports. The trade deficit might drop. But in isolation, that would only hurt economies in Europe and Asia that have become dependent on American markets. In turn, their recession might boom in the United States. The Third World debt crisis would worsen, because debtors could not earn dollars to service their loans.

Can America, then, ignore its budget and trade deficits? Sorry, that is not a choice, either. Inevitably, foreign investors have tired of absorbing rising amounts of dollar securities into their portfolios. Consider Japanese insurance companies, which have been heavy dollar investors. They pay policy holders in yen. They cannot prudently put all their investments in dollars. The dollar's high exchange rate could not last. It had to depreciate, as it did again during the past week. Ignoring the trade deficit would aggravate the depreciation, raising higher U.S. inflation and foreign recession. U.S. imports would become more expensive, other countries' exports less competitive.

The danger is a gridlocked global economy. The easiest escape from this impasse lies in faster growth abroad. Other countries would offset their loss of exports to the U.S. market, stimulate demand for American exports and ease pressure on the dollar. Will we get that faster growth? It is easy to see an unhappy future of political paralysis and poor growth. Europe is content with its sluggish prosperity, placating its unemployed with generous welfare benefits. Japan's energies have focused on exports; the need for "consensus" makes change difficult. Most developing countries are politically unstable or overloaded with debt. They cannot help the world economy.

Since the late 1960s, global growth has generally slowed. The great proponents of postwar expansion in Europe and Japan — rebuilding, catching up with U.S. technology and moving millions of small farmers into industrial jobs — are gone. Of course, there's a more optimistic view. The panic on the world's stock markets, it is said, is precisely the catalyst needed to tighten governments into constructive change. Adversity makes people more conscious of choices and more willing to decide among lesser evils. Even now, there are some signs that a broad global accommodation could emerge. While Congress and the White House bargained last week over the U.S. budget, West Germany's president suggested that Europe might embark on a "sensible growth policy."

The world's stock markets have tentatively registered their opinion. Stocks have declined because investors have grown increasingly pessimistic about solutions to these problems. What is at issue is one of the great conflicts of our time: the collision between sovereign states and stateless economic forces. No one can say how this economic and political drama will end, but the theme is clear. Interdependence is more than a cliché. — The Washington Post.

Most Japanese companies have been hurt severely by lost export competitiveness through the high yen. Japanese wages do not go up, hence the real economy is not good. The world is in no condition to continue with superficial economic prosperity supported only by the money pump. It was fear of having to face up to economic reality that caused the recent stock market crash. America should not ask Japan and West Germany to stimulate their economies simply to make its job at home easier. Japan and America have an unbelievably interlinked financial and trading relationship. We can no longer use one-sided nationalistic arguments to unbalance ourselves. We are all in this together.

We can no longer fiddle with interest rates, money supplies or any other important financial parameter without considering the effect on others. What is needed is a détente in the economic realm, just as one is needed in the political realm. Japan and the United States, the

The writer is managing director of the Tokyo office of McKinsey & Co., a New York-based management consulting firm. He contributed this comment to The Washington Post.

near Fessenden, says, "This farm crisis is going to be with us for many years. There's no way my generation can keep on farming like my father did. You know, he able to buy land and machinery and pay for it himself." "Do you know where we are now?" asks a joking John Bollinger, a neighboring farmer. "Grandfather is living in Arizona collecting 10 percent on \$300,000 of bank certificates of deposit. The son who bought the land at this inflated price can't make his payments to the Federal Land Bank. The grandson is now 25. He's waiting for Father to go broke so he can buy his land for the same price Grandfather paid way back when, \$50 an acre."

The writer, author of books on Third World economics and recently of "These Days," a North Dakota memoir, contributed this comment to the International Herald Tribune.

100, 75 AND 50 YEARS AGO

1887: A Step to the West

PARIS — [A Herald editorial says:] If the report that the United States has acquired a coaling station on the Sandwich Islands be true, it is a step in the right direction, such is the geographical situation of Honolulu that it must always be a half-way station for all steamers, going or coming between San Francisco and the Asian and Oceanian ports. The acquisition must have another significant meaning. It will show that the Great Republic intends to make a supreme effort to regain her lost supremacy upon the sea. We sincerely hope that Pearl River Harbor, Hawaii, has been acquired by the United States.

1912: Turkey Rebuffed

PARIS — Turkey, apparently recognizing the defeat of her armies as complete, has requested France to arrange an armistice, but this request has been promptly refused as unacceptable to the Balkan States, which

Gorbachev Has Reason To Worry

By William Pfaff

PARIS — It is not wholly fanciful to think of Mikhail Gorbachev as the Khrushchev of a new Russian revolution. If, of course, there were to be a new Russian revolution, it is by no means impossible. His speech on Monday at the observance of the 70th anniversary of the October Revolution, was that of a reformer caught between the intransigents of reaction and the new men who want change and want it quickly — men like Boris Yeltsin, Moscow Communist Party chief, who had to be rebuffed for challenging Mr. Gorbachev's leadership and demanding faster change.

Mr. Gorbachev tries to appease both sides, which is impossible. He tries to buy time in which to maneuver around those who resist the change he wants to make in Soviet society. Cambridge of Harvard, author of a classic prewar study, "The Anatomy of Revolution," wrote of the moderate's plight that "after each crisis the victors tend to split into a more conservative wing holding power and a more radicalized one in opposition." Thus the moderates' base of power steadily narrows and the number of those in opposition increases.

It is a post-revolutionary condition, tending to end in radical seizure of dictatorial power, but it is also a pre-revolutionary phenomenon leading up to the revolution itself. Alexander Fedorovich Kerensky was a lawyer and political activist who played a leading role in the Provisional Government established in Petrograd (now Leningrad) after the military mutinies and political upheaval which caused the abdication of the czar in February 1917. This government proclaimed civil liberties and generous reforms, but also, fatefully, tried to go on waging the world war.

Kerensky served first as war minister and then as prime minister, but his primary ministerial function was to steady greater dependence on the Bolshevik left against conservative and counter-revolutionary forces. This ended in the Bolshevik coup d'état in October 1917, and in Kerensky's defeat and exile. The Soviet Union today certainly is not in a condition like that of czarist Russia in 1917. It experiences no external hammering like what the Russian people underwent in World War I and in their humiliating defeat by Japan in 1904. Nonetheless the future of the Soviet system is far from solid. Mr. Gorbachev's urgency in demanding reform is fully justified.

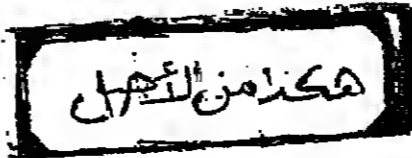
The late Professor Brinton listed the following among others, as pre-revolutionary conditions: Inefficient and incompetent government, with major internal stresses. An energetic, innovative, and productive part of society which feels itself thwarted, checked by the existing system, unable to fulfill itself and its plans, wrangled by the system. A conviction among creative people that important careers no longer open to talent. Thus a "desertion of the intellectuals" — an abandoned commitment to the system on the part of its most creative members. Finally, there is a loss of confidence among the rulers themselves, a growing doubt that they are able to cope with what is happening. Soviet Russia has in recent years increasingly resembled the Russia of 1916-1917 in every one of those respects. On the other hand, there are fundamental differences. The living standards of the masses of Soviet people have steadily improved (although these will dip, if Mr. Gorbachev's economic reforms are put into practice). The international situation is improving. Elites still see the ruling party as the only possible vehicle for change, and they work inside it, not outside. People are fearful of change. There is no popular sense of things ending, or anticipation of dramatic change. It is the ruling group in the Soviet Union which is driven by a sense of impending crisis. The usual pattern is reversed. It is the leadership which demands vast changes and believes that without them the country's condition will ruinously deteriorate. Ordinary people, the bureaucracies of government and industry, by and large are complacent and obstruct reform.

Professor Brinton added, dryly, that even when a society's condition is stagnant or in decline, and elites begin to sense that something is going to break, they still "never seem to expect revolution for themselves, but only for their children." It always comes ruddily, as a surprise, after the reformers have faded — or when they have run out of time. — International Herald Tribune. © Los Angeles Times Syndicate.

1937: Manila Beckons

WASHINGTON — President Manuel Quezon's assurance of Philippine cooperation in any move by America to enter foreign finance to transfer their Far Eastern headquarters from Shanghai to Manila was enthusiastically received here today. [Nov. 4]. With the losses of foreign traders in Shanghai already totaling more than \$100 million as the result of the Sino-Japanese war, business interests believed that shifting their trading centers to Manila might offer a temporary solution to the trade problem in the Far East, in the event that Japan continues its military activities in Shanghai.

An Official I... Through its history... always been very international... book "Wherever you go, you... the captain. This statement is... and three centuries ago. For D... However, since the work... been coming to the Netherl... overseas trade. But also... many people of other count... Netherlands seeking their for... country's its pronounced... has been one of the major rea... in the Netherlands. This... tively important for your con...



شبكة من الصحف

OPINION

An Official Dose of Medium Personhood

By William Safire

WASHINGTON — An American lawyer in Moscow in 1965 asked his Intourist guide-guards the way to the men's room, slipped out the back of a restaurant and took a taxi to an address he had been given by a Canadian newspaper. The politically defunct lawyer was seeking a rendezvous with a former Soviet leader he had spoken with in a kitchen six years before.

At the apartment house, the American was turned away by two burly women; the man he wanted to see was now a nonperson, existence officially forgotten, unavailable to visitors. Frustrated, the lawyer left a note, which was probably delivered to the KGB.

Red Army balance. That accusation is now in the Moscow air, despite its attempted suppression by Tass, and it weakens the leader who must denounce Stalin's cult while establishing his own. The desperate backtracking evident in this week's speech suggests that the man who needs a summit meeting now, to reassert authority at home, is not President Reagan but Mr. Gorbachev. Not for nothing (that style is getting to me) did the Soviet leader speak assuredly of "the third and fourth Soviet-U.S. summits" — the fourth being a Reagan visit in Moscow next summer, which some of us had not yet put on our travel schedules.

The American was Richard Nixon, the Russian, Nikita Khrushchev. I recall that abortive attempt to reach a Soviet nonperson on reading Mikhail Gorbachev's speech at the 70th anniversary of Lenin's overthrow of the czar. Mr. Gorbachev chose to mention Khrushchev favorably, making permissible the discussion of his regime in history books.

One sentence must have been painful for Mr. Gorbachev to read out: "The Stalin personality cult... was alien to the nature of socialism." A week before, Boris Yeltsin, his handpicked Moscow party chief who kicked over the Gorbachev, denounced the general secretary for establishing his own personality cult.

In his symbolic rejiggering of the figures of the past, and in bestowing medium personhood on a predecessor who could not receive an American visitor, Mr. Gorbachev promises his power elite that the successor to Dzerzhinsky and Andropov will break few Stalinist icons. In his studied abuse of history, he tells the rest of the world that truth to a dedicated Communist is whatever story serves his present purpose.



Old Friends, Look Again

By Joe Murray

LUFKIN, Texas — I saw an old friend on the other side of the street and waved. He looked right through me and then looked away. That's the trouble with old friends, especially if you edit the newspaper. I spent the rest of the day trying to figure out what I'd done to make him angry with me. Heaven knows, it could be any number of things.

MEANWHILE

most anything, excepting perhaps printer's ink. I've had to defame my own kin from time to time, putting in the paper why they were put in jail. Something that did not get in the paper at all — an anniversary, a graduation, a funeral notice, a pie supper, a birth announcement. The world seems equally divided between those people wanting to get their name in the paper and those wanting to keep it out.

Two Killings in Indiana

The Washington Post editorial "Don't Execute Youngsters" (Oct. 1) seeks to make understandable the horror which many Europeans feel regarding the death sentence given to teen-ager Paula Cooper. As an Indiana resident at the time of the murder, I read the details of the crime in our local paper. They were indeed horrifying — as is the Cooper sentence, in part due to its arbitrariness.

Plain Lord Alfred Douglas

Both T.J. Rostenwald Jr. (Letters, Oct. 1) and William Safire blew it. Lord Alfred Douglas had this title as younger son of the Marquess of Queensbury and should be referred to as Lord Alfred Douglas or, if abbreviation is needed, Lord Alfred.

LETTERS TO THE EDITOR

The FAO Election: Saouma Has Been a Strong Leader

Interest in the UN Food and Agriculture Organization has intensified in recent months because the election of a director-general for a six-year term is coming on Nov. 9. There are two candidates: the incumbent, Edouard Saouma of Lebanon, and Moïse Mensah of Benin, deputy director of the International Fund for Agricultural Development.

Arms Control: A Beginning

Edwin M. Yoder Jr. ("Fewer Missiles Will Mean Fewer Options," Sept. 4) asks: "Why enter an arms control treaty that lowers the nuclear threshold, weakens deterrence and invites adventurism without compensating adjustments in conventional and intercontinental weaponry? For show? For politics? For what?"

A Man's BMW Is His Castle

The question of having a speed limit on the autobahn can certainly be debated. But for Ferdinand Protzman ("Are Germany's Speeders Driven by More Than Fuel?" Oct. 26) to call West Germany "an otherwise tightly regulated society" shows very little understanding of the country.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Gorbachev Has Reason To Worry

By William Pfaff

It is not wholly surprising to think of Mikhail Gorbachev as the Kerevsky of a new Russian revolution. If, of course, there were a new Russian revolution, it means impossible. This speech on Monday at the 70th anniversary of the 1917 Revolution in Moscow of the 70th anniversary of the October Revolution, that of a reformer caught in the intransigent of those of the new men who want change, want it quickly — men like Gorbachev, Moscow Communist Party chief, who had to be rebuffed by Mr. Gorbachev's leadership and demanding faster change.

Insufficient and inconspicuous meant, with major interest meant. An energetic, innovative, and decisive part of society which itself thwarted, checked by the system, unable to fulfill his plans, wronged by the system. A conviction among creative, that important careers no longer open to talent. Thus a "disaster of intellectuals" — an abject commitment to the system on the part of its most creative members.

50 YEARS AGO

would be unwilling to allow... 1937: Manila... WASHINGTON — Personal... American... transfer from Shanghai... (Nov. 4) With the... traders in Shanghai... more than \$100 million... of the Sino-Japanese... interests believed that... trading centers in Manila... a temporary solution... problem in the Far East... that Japan continues... activities in Shanghai.

How international do you require a country to be?

Throughout its history, the Netherlands has always been very internationally oriented. This is evident from an entry made in a 17th-century ship's log-book: "Wherever you go, you find the Dutch," wrote the captain. This statement is just as valid today, as it was three centuries ago. For Dutch trade and industry still considers the whole world its area of operation.

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consultant in your own country. For, as the captain said: "Wherever you go, you find the Dutch." In the Netherlands: Netherlands Foreign Investment Agency, Office for Europe, P.O. Box 20101, 2500 EC The Hague, Mr. Hubert Tabbers, Phone: (31)(70)797029/797645. In the United Kingdom: Peter Biddlecombe Associates, 6th Floor, 6, Vigo Street, London W1X 1AH, Phone: (1) 4375927.



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GORBACHEV'S ANNIVERSARY SPEECH: Analysts and Soviet Allies Find Something for Nearly Everybody

Pushing the Limits of Change

Glasnost Runs Into a Reluctant, and Still Powerful, Party

By Philip Taubman
New York Times Service
MOSCOW — Mikhail S. Gorbachev's stated vision of a more open and democratic Soviet Union has emerged from two tests in recent days somewhat battered by the realities of the Communist system.

The two tests — Mr. Gorbachev's review of Soviet history on Monday and the earlier handling of Boris N. Yeltsin's threat to resign as head of the Moscow party organization — have demonstrated the limits of openness and served as a reminder of how different Mr. Gorbachev's concept of democracy is from Western practices.

The clear message has been that the Communist Party retains the power to determine the boundaries of news coverage and public debate, as well as the shape of Soviet history, and intends to exercise it. Mr. Gorbachev has been unwilling, or unable, to push the limits. The view among most Western diplomats is that, at least in the case of Soviet history, he pressed as far as he could but felt the party was not yet ready to accept a radical new version of its past.

Soviet officials said Mr. Gorbachev, along with other members of the leadership, did not think the Yeltsin affair should be publicized in the Soviet Union because it was an internal party problem.

Mr. Gorbachev's effort to examine troubled pages in Soviet history, presented in a speech marking the 70th anniversary of the Bolshevik Revolution, opened the door on the past after a hiatus of 25 years, but seemed blunted by the party's continued reluctance to acknowledge past problems.

He said Stalin was guilty of "enormous and unforgivable" crimes, and Mr. Gorbachev restored official respectability to Nikita S. Khrushchev, the Soviet leader

from 1953 to 1964, and Nikolai I. Bukharin, an associate of Lenin who was executed by Stalin in 1938.

But Mr. Gorbachev did not disclose the full scale of Stalin's excesses and be balanced his criticism with praise for Stalin's contribution to development. He stopped

short of giving Bukharin the full rehabilitation many had hoped for. Similar caution, and the hand of censorship, has guided the handling of Mr. Yeltsin's resignation threat.

Mr. Yeltsin stunned the party leadership at a Central Committee meeting on Oct. 21 by complaining about the pace of change and by questioning Mr. Gorbachev's leadership, according to Soviet officials. No information about Mr. Yeltsin's action has been reported as yet in the Soviet press.

The two issues coalesced Tuesday when one of Mr. Gorbachev's closest colleagues, Alexander N. Yakovlev, a full member of the Politburo, fielded questions that focused on the Yeltsin affair and Soviet history. When the news conference was broadcast Tuesday evening after the prime-time news, the exchanges on both subjects were deleted.

At the news conference, Mr. Yakovlev said the Yeltsin affair was an internal party matter that did not belong in the public domain.

"If all internal party matters are discussed by one and all, then there will be no sense in having a party," Mr. Yakovlev said. "This, I think, is understood."

Asked why Tass, the official press agency, had reported Saturday about Mr. Yeltsin's resignation threat, but then advised Soviet newspapers not to print the report,

Mr. Yakovlev said: "Why do you use internal Tass statements? We don't use your internal statements."

Looking out into the audience of Soviet and foreign reporters, he added: "Incidentally, Tass, why didn't you publish this? Nobody seems to know why it wasn't published."

A Tass report about the Tuesday news conference included an abbreviated account of Mr. Yakovlev's remarks about Mr. Yeltsin.

Mr. Yakovlev was asked whether Mr. Gorbachev had underestimated the number of victims of Stalin's purges when Mr. Gorbachev said Monday that "many thousands of people inside and outside the party were subjected to wholesale repressive measures."

Some Western historians estimate that millions perished. Mr. Yakovlev replied: "Why do you think if he said millions he would be speaking more of the truth than if you say thousands? This is your point of view. I know the rumors that persist in the West, but I think that many of these rumors lie on the conscience of certain people."

When asked whether there were any plans to publish Khrushchev's 1956 speech denouncing Stalin, which was delivered in secret to the Central Committee but never printed in the Soviet Union, Mr. Yakovlev said the question had not yet been studied.

Just how much the party's new version of history will govern the work of historians is unclear, and probably will not be apparent for a number of months.

But in a society where scholarship has long been guided by party views, it seems likely that historians will be cautious about pressing beyond the version of history presented by Mr. Gorbachev.

Sakharov Awaits 'Whole Truth' on Stalin

Represented the first extensive comments by Mr. Sakharov in the main Soviet press.

MOSCOW — Andrei D. Sakharov, the Nobel Peace laureate and dissident, said in a rare interview published Wednesday in the weekly Moscow News that "the whole terrible truth" about Stalin's rule remained to be told.

Mr. Sakharov hailed Nikita S. Khrushchev as an "outstanding world leader" and appealed for an end to "half-truth and suppression" in the Soviet treatment of history. The interview, conducted three days before the speech this week by Mikhail S. Gorbachev that touched on the Stalin period,

represented the first extensive comments by Mr. Sakharov in the main Soviet press.

"I regard this as another demonstration of glasnost," Mr. Sakharov said afterward, referring to Mr. Gorbachev's policy of greater openness.

"In his speech, Gorbachev did not tell all the truth that should have been told about the 1930s and 1940s," he added. "Not everything satisfied me. I would have expected, and I hoped for, more." Mr. Sakharov said he was encouraged by the announcement that a commission would investigate the extent of repression under Stalin.

Poland Hails 'Soviet Springtime' But East Germany Remains Cool

By John Tagliabue
New York Times Service

WARSAW — Moscow's closest East European allies appear to be applying a selective approach to the message of Mikhail S. Gorbachev's speech on the Bolshevik Revolution, depending on whether their own policies reflect or clash with his campaign for political and economic change.

In Poland, where the government is seeking to push through a program of change on the coattails of Mr. Gorbachev, newspapers exulted Tuesday over the address.

"Socialism, not only in the Soviet Union, is entering a new stage of development," said Zycie Warszawy, the Warsaw daily, in a commentary. "The revolution is thrown into second gear."

In East Germany, the Communist Party newspaper Neues Deutschland published the text of the speech on its front page, but juxtaposed it with a congratulatory message to the new Chinese Communist Party leader, Zhao Ziyang.

The accompanying East German reporting lacked any exultant tone. Only last week Neues Deutschland was unusually outspoken in attacking a recent Soviet film that dealt critically with the Stalinist period in the Soviet Union, condemning it as "nihilistic," "inhuman" and "without perspective."

The criticism was remarkable since the film, "Repentance," by the Georgian director Tengiz Abuladze, was one of the first to emerge in the Soviet Union under Mr. Gorbachev's campaign for greater cultural openness. It also has been shown in other East bloc countries, including Poland.

Some diplomatic analysts say that criticism, coupled with extensive East German reporting on the Chinese Communist Party Congress in Beijing, reflected the coolness of the East German leadership to some aspects of Mr. Gorbachev's efforts toward change.

If the East German press was reserved in its enthusiasm, Poland's reporting sought to award General Wojciech Jaruzelski, the Polish leader, a principal supporting role in the cast of reformers surrounding Mr. Gorbachev.

General Jaruzelski was the first non-Soviet leader to address the Kremlin gathering after Mr. Gorbachev and the first East bloc leader

to meet privately with the Soviet leader on Tuesday.

The general's speech, which was published in full along with that of Mr. Gorbachev, stressed the watershed character of the 70th anniversary celebrations in Moscow.

There was perhaps unintended irony in his characterization of Mr. Gorbachev's blueprint for change as a "Soviet springtime." That appeared to evoke the phrase "Prague Spring," what was used to describe the changes in Czechoslovak Communist policy that led in 1968 to the Soviet invasion.

But General Jaruzelski went on to say: "Transformations reaching to the core are coming. They reflect the objective regularity of historical development. This is, therefore, a lasting and irreversible process."

Most East bloc governments have thrown themselves in recent months into programs of economic change, usually coupled with more cautious political changes. Some have exploited the room for action created by Mr. Gorbachev's own policies; others appear to be seeking Soviet favor by following what they perceive to be Moscow's lead.

But while Hungary, Poland and Bulgaria have announced drastic changes, the leaders of East Germany, Czechoslovakia and Romania have been more cautious.

Diplomatic analysts said this appeared to be reflected in the reactions to Mr. Gorbachev's speech, which East bloc leaders apparently were studying closely for clues to the relative support within the Soviet leadership for his program of changes.

That, in turn, would enable them to gauge the measure of their own future commitment to policies of change, the analysts said.

Too Much, Too Fast? Western Analysts Can't Make Up Their Minds

By Barry James
International Herald Tribune

Mikhail S. Gorbachev's speech on the 70th anniversary of the Russian revolution has produced widely divergent interpretations among political analysts in the West.

These interpretations often reflect the general views of the analyst about the nature of Soviet society and the likelihood of Mr. Gorbachev's achieving deep-rooted reform.

The disagreement is particularly intense over the significance of Mr. Gorbachev's treatment of the Stalin era. One specialist said that the speech was "infinitely more timid" than that of Nikita S. Khrushchev 31 years ago, but another called it courageous and bold.

Cesare Merlino, president of the Institute for International Affairs in Rome, said the speech could be considered from various aspects, like a glass that is either half empty or half full.

"I think Gorbachev was able to give the sense that the glass is slowly, painfully but definitely filling up," he said. "His speech gives a sense of the dynamics involved."

Egon Bahr, the architect of West Germany's Ostpolitik under Chancellor Willy Brandt, called the speech "bonest," while reflecting Mr. Gorbachev's need to pace his reforms. "There are tendencies to go further and faster than the system can bear," Mr. Bahr said. "The regulation of the pace is a determining factor for the success or failure of reform. That is Mr. Gorbachev's problem."

"My impression is that Gorbachev is obviously in trouble at home," said Josef Joffe, foreign editor of the Süddeutsche Zeitung in Munich. "This was a Gorbachev we have not seen before — a leader who is cautious and conservative. I would think he has finally taken cognizance of the fact that you can't rebuild a 70-year-old system the way American presidents invent a new Jerusalem every four years."

Andrew Pierre, director general of the Atlantic Institute in Paris, while agreeing the speech was cautious, said that "we don't know whether it was cautious in a practical sense or whether it was a strategic retreat."

François Heisbourg, director of the International Institute for Strategic Studies in London, also believes that Mr. Gorbachev is having to pull in his horns in the face of domestic opposition.

"A sense of the obstruction that Gorbachev is encountering can be judged by comparing his speech with Khrushchev's Stalin speech," he said. "Admittedly, that was secret and Gorbachev's was public. However, the fact remains that Khrushchev was precise and far-reaching in his analysis of Stalin's crimes, while Gorbachev was infinitely more timid."

Perhaps, some experts believe, expectations were too high to begin with.

"We were led by leaks coming out of Moscow to believe that this was going to be a major speech revising Soviet history," said Richard Pipes, a Harvard University historian, who has served as a National Security Council specialist on the Soviet Union. "But I don't see how anyone can interpret it in that way."

Mr. Pipes called the speech "a step backward in some ways." Other experts said the airing of painful historical issues on live television was significant in itself.

"It was courageous," said William G. Hyland, editor of Foreign Affairs magazine in New York. "He obviously opened some old wounds, and that's always dangerous and therefore bold. He didn't have to go that far on a number of historical issues."

"The main thing," Mr. Hyland added, "is that he has rehabilitated Khrushchev. That's different."

Mr. Hyland said the speech supports the view that Soviet foreign policy will become more accommodation. "He is trying to build a historical case for his own program, and he goes out of his way to link his policies with those of Khrushchev and Lenin," he said.

"It's an enormously important speech, a major political development, and to dismiss it because it was not a full expose of the past is to miss the point," said Stephen F. Cohen, a political scientist at Princeton University. "Historical truth isn't the issue. The issue is the great political struggle under way in the Soviet Union."

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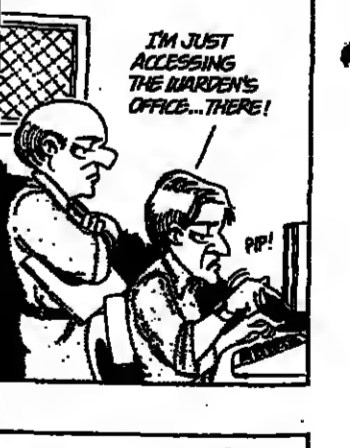
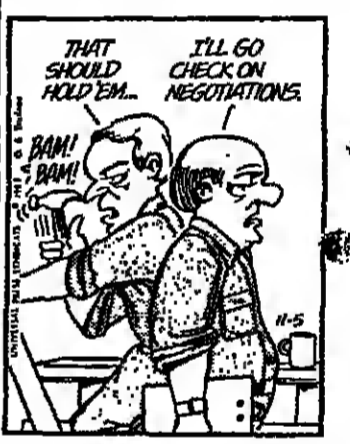
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DEATHS NOTICE JUDY ATWELL. Judy Atwell, thirty year resident of Paris, France, died in San Diego, CA on 8-28-87. For info, contact S. Williams, 187 Frazer Mill Road, Sudbury, MA. 01776 USA.

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# 90 Days Into Peace Pact, Central America Strife Appears to Be Widening

By Julia Preston  
Washington Post Service

MANAGUA — As a peace accord begins to take effect Thursday in five Central American nations, the guns of war are sounding more loudly in the region than they did three months ago when the pact was signed, according to politicians and diplomats.

In the 90 days between Aug. 7, when the presidents of the five nations agreed in Guatemala, and Nov. 5, the first deadline of the accord, there has been a torrent of activity by governments in the region seeking to meet its terms requiring cease-fire, amnesty, political dialogue, nonintervention and democratic reforms.

But already many initiatives have done more to delineate than to close differences between governments and the armed rebels arrayed against them, or between sharply opposed governments, according to regional observers.

As the plan evolved, its Nov. 5 deadline went from being the last day for the five governments to comply with the accord to being the first. The foreign ministers of the region argued during their meeting last week in Costa Rica that it would be premature to assess any government's progress at this time.

The presidents of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua now agree that they must complete their efforts toward compliance and face a more definitive collective judgment when they reconvene in another meeting sometime after Jan. 14.

As of now, the consensus among observers in the region is that the accord is very much alive, and very troubled. President Oscar Arias Sánchez of Costa Rica, the main architect of the plan, said last week that it was at an "impasse."

A weakness is that two of the key actors who can make or break the pact never signed it: the Reagan

administration and the U.S. Congress.

If the U.S. Congress accepts the administration's proposal for up to \$270 million in aid to the Nicaraguan rebels, the war in Nicaragua will escalate and the leftist Sandinista government has said it will feel forced to reject further compliance no matter what the other nations decide.

If the five presidents eventually deem the pact to be working, Democrats in the Congress will be in a strong position to reject aid for the rebels, who are known as contras. The core conflict in the region will gradually wind down, leaving the Sandinistas in power.

Since Aug. 7 there have been no fundamental changes in the underlying conflicts in three nations, Nicaragua, El Salvador and Guatemala. In Nicaragua, an estimated 9,000 contras object to the Sandinista National Liberation Front's pervasive political control, collectivist economic policies and tilt toward the Socialist bloc.

The Sandinistas, more passionately than ever, reject the contras as U.S.-salaried mercenaries whose only goal is to recover properties and powers they lost in the 1979 revolution.

In El Salvador, President José Napoleón Duarte remains hamstringed by a hard-line military to his right and about 6,000 guerrillas to his left whose basic demands have not changed in three years.

In Guatemala the poverty of the majority Indian population and ongoing rightist death-squad murders have brought new recruits to a decades-old movement of about 2,000 Marxist guerrillas who in the mid-1980s came close to extinction.

A crucial issue now emerging is whether any leader or organization in the region will have enough authority and access to give an unequivocal evaluation of compliance all sides will accept.



KOCH PRAISES 'PEACEMAKER' — Mayor Edward L. Koch of New York praised President José Napoleón Duarte of El Salvador, right, as a peacemaker Tuesday and assailed leftist rebels for seeking power "simply by virtue of the fact they have arms." He is touring Central America as an unofficial observer of the Arias peace plan and was flown to San Salvador after rebels threatened traffic on the road between the capital and the airport.

# Brazil Confronts AIDS-Related Threat: The Urge to Spread It

By Bradley Graham  
Washington Post Service

CAMPINAS, Brazil — Late one Friday afternoon last month, a 31-year-old man with AIDS visited a local treatment center feeling depressed.

He had murder on his mind. Lonely and distraught, he had been planning a sexual binge to spread the fatal acquired immune deficiency syndrome widely through Campinas, a city of 850,000 about an hour's drive north of São Paulo.

Dr. Silvia Bellucci, an immunologist at the center, recognized the man's urge. She had seen the same impulse numerous times before in other AIDS victims, this macabre wish to pass the virus to unsuspecting others.

She also knew the visitor from his attendance at group therapy sessions. He is a systems analyst at

a data-processing firm, and the father of two daughters. Three years ago, he began having homosexual relations and contracted AIDS.

Soothingly, Dr. Bellucci comforted the would-be murderer and drew him back to his senses. "He sat right here on the couch," the doctor recalled during an interview in her outer office. "It was his birthday and he said he was feeling sad and anxious. No one had done anything to celebrate the day."

"He started crying and said he had been thinking of going out and spreading AIDS to at least 50 people. I cried with him, and then we talked for an hour and a half until he calmed down."

Second to the United States in the number of reported AIDS cases, Brazil is now confronting the threat of willful transmission of the disease. Medical experts here say

the desire to spread the virus occurs in victims elsewhere but seems to have received more widespread publicity in Brazil.

Simply identifying the sufferers of AIDS and easing the physical pain of their final days is said to be insufficient both for the victims and for everyone else's protection. The illness demands psychological care.

But in developing countries like Brazil, already hard-pressed to provide even basic medical services, the complications and traumas of AIDS go largely untreated.

In one previously unpublicized case in September, according to the center where Dr. Bellucci works, a 29-year-old drug addict who knew he was close to dying of AIDS gave a party in Campinas.

Without confessing his condition, he passed around a syringe of

cocaine diluted with his own infected blood, exposing about 20 people, ranging in age from 15 to 25, to the risk of contamination. They are now being seen at the center.

In the southern city of Florianópolis, residents have been panicked for two weeks over a police report of a purported pact among a small group of drug addicts to spread AIDS. An 18-year-old girl caught stealing furniture from an apartment building where she lived told authorities of the alleged plot. She identified a married couple infected with the virus as the ringleaders.

They were said to have hosted parties at which they mixed their blood with cocaine and used a single syringe to inject it into others.

The accused have denied scheming to spread AIDS. As authorities try to establish the truth, Brazilian newspapers say Florianópolis is swirling with rumors that up to several hundred people may have fallen prey to the alleged plotters and that schoolchildren were fed contaminated chocolates by the group. The virus is not transmitted through food.

Behind the urge to inflict AIDS on others lies a combination of sadistic and masochistic impulses, doctors say. Resentment against society merges with loneliness, despair and disgust with oneself.

"It is a mix of wishes to contaminate others and, as a kind of self-punishment, to be re-contaminated," said Margo Mair Marques, a

psychologist who treats AIDS victims in Campinas.

"It is usually a phase," she said, "part of the ups and downs of coming to terms with the disease."

Often, the impulse is not explicitly articulated but exists subconsciously. "Some victims knowing they have AIDS keep behaving as if they were not infected," she said. "Others say they are not worrying about the consequences of their actions. They say they couldn't care less about passing on the disease. That's really a kind of masking of the intention to infect others."

Public insensitivity to those with AIDS has aggravated the problem, according to medical experts.

Along with a growing awareness in Brazil this year of the dangers of AIDS, there have been reports of infected persons being expelled from jobs, run out of towns or hunted down by the police. Recently, health officials ordered clinics to start reporting the names of anyone who has tested positive for AIDS antibodies.

Such measures are said to drive victims of the illness deeper into depression, or to give rise to anger. Some victims choose suicide. In São Paulo, where the majority of the known AIDS cases in Brazil are concentrated, 60 AIDS victims killed themselves in the first six months of this year, according to statistics kept by a medical law institute.

Dr. Bellucci, who has been work-

ing with AIDS patients since Brazil's first cases surfaced in 1982, says they need psychological care to combat what she calls the "AIDS ghost," an obsession with the fatal disease.

**Concern in San Francisco**  
AIDS tests will be urged for about 30,000 former patients who received blood at three hospitals in the San Francisco area from 1977 to March 1985, United Press International reported from San Francisco.

It has been estimated that up to 1 percent of blood supplies provided to the Kaiser health-plan hospitals during that period were contaminated with the AIDS virus. The hospitals are in San Francisco, San Rafael and Vallejo.

**Lebanon Guerrillas Kill A Member of Militia**

KIRYAT SHEMONA, Israel — A member of the Israeli-backed South Lebanon Army militia was killed and four others were wounded in a clash with Iranian-backed Hezbollah guerrillas in Lebanon overnight Tuesday, security officials said Wednesday.

Three other South Lebanon Army fighters were wounded by mines planted by guerrillas, the officials said.

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# Tutu Cites Pretoria in Mozambique Killings

JOHANNESBURG — Archbishop Desmond M. Tutu, the 1984 winner of the Nobel Peace Prize, accused South Africa on Wednesday of sharing responsibility for a massacre in Mozambique in which 278 people died.

In a statement that is bound to anger Pretoria, the Anglican leader said that South African denials of

involvement in the killings north of Maputo last Thursday lacked credibility.

Mozambique has said the massacre was carried out by rightist rebels of the Mozambican National Resistance, known as Renamo, which Maputo says is helped by South Africa.

Pretoria, which denies aiding the rebels, said Monday it took the

strongest exception to accusations that it masterminded the killings.

"But the government's outraged protests cut no ice," Archbishop Tutu said. "Developments in Mozambique are forcing more and more national people to the conclusion that the South African government shares responsibility for the dreadful carnage in that country."

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After a decade of rents, the office capital is finally ready. Excellent public network of new towers more attractively left behind. provinces are offering business.

In recent years the French government has made determined efforts to decentralize. The French government, nevertheless, continues to win hands down on office space. With half of the office stock of the country, 70 percent of the insurance companies, 50 percent of French bank headquarters and the headquarters of multinational companies, Paris remains unassailable. Sixteen thousand Draculons in Paris and a lot of people will be moving out to the suburbs but I don't think it will be all that difficult to replace them.

Of course the city has its disadvantages — pollution, parking problems, inefficient office space. But in response to a survey last June for the Club de l'Immobilier, 90 percent of the people working in the rue de la Boétie in the heart of the 8th arrondissement said they "could not possibly envisage moving away from their present quarters."

**Liberalization**  
The reason for the current healthy state of the office market in Paris and the building boom in the Western suburbs was the French government's liberalization in 1985 of development permit or "agreement" regulations, which altered the balance of supply and demand. Formerly speculative developments were not allowed to build more than 1,000 square meters (130 square yards) of office space without the permission of DATAR, the French industrial development agency.

"As soon as the requirements were waived, developers began building as rapidly as possible. It was a revolution," says Jean-Claude Bourdais, head of Bourdais Consultants. "Within two years investors had bought 2 million square meters."

Between 1984 and 1986 "speculation and a buildup of demand for central Paris space pushed up rents dramatically," says Robert Lipscomb, partner at Healy and Baker. Real estate professionals now foresee a return to equilibrium with a slowdown in rental increases, depending on the move to the suburbs by large companies and the relaxation of planning obligations in the city center.

The open market has created a stimulus for developers and investors — and at the same time a nagging fear that builders may have gone too far.

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# FRENCH COMMERCIAL REAL ESTATE

After a decade of tight space and high rents, the office market in the French capital is finally reaching an equilibrium. Excellent public transport has made a network of new towns and nearby suburbs more attractive to business. Not to be left behind, dynamic cities in the provinces are offering an array of science, business and high-tech parks.

In recent years the French government has made determined efforts to decentralize. The French capital, nevertheless, continues to win hands down on office rentals. With half of the office stock of the country, 70 percent of the insurance companies, 96 percent of French bank headquarters and the quasi-totality of the headquarters of multinational companies, Paris remains irresistible. Says Jonathan Driscoll of Féau Hampton Enterprises: "A lot of people will be moving out to the suburbs but I don't think it will be all that difficult to replace them."

Of course the city has its disadvantages — pollution, parking problems, insufficient office space. Still, in response to a survey last June for the Club de l'Immobilier, 60 percent of the people working on the rue de la Boétie in the heart of the 8th arrondissement said they "could not possibly envisage moving away from their present quarters."

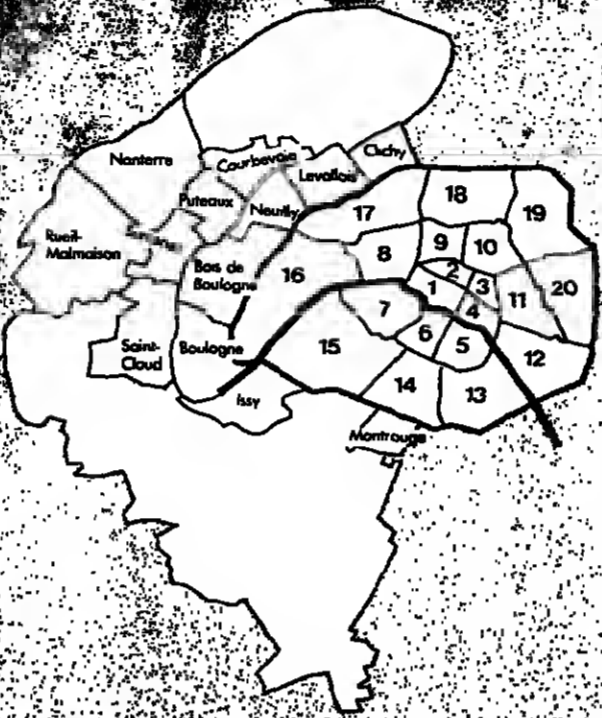
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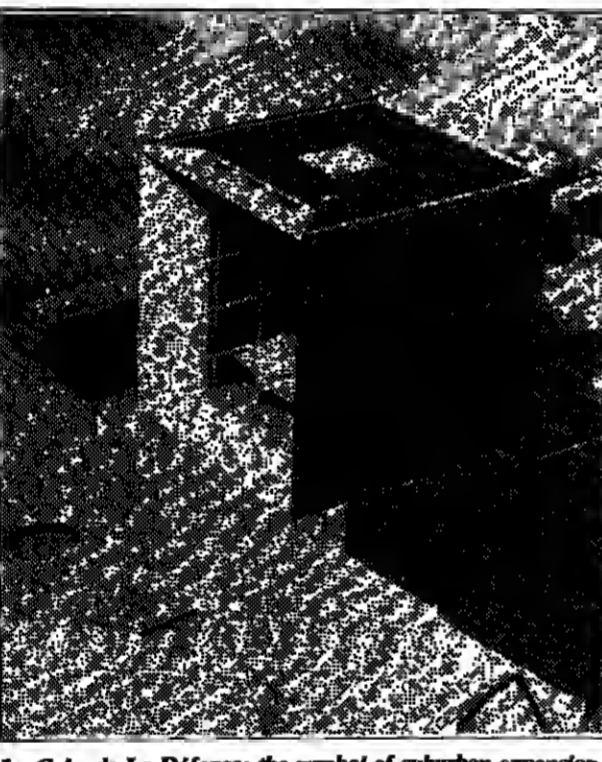
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The open market has created a stimulus for developers and investors — and at the same time a nagging fear that builders may have gone too far

OFFICE VALUES IN WESTERN PARIS SUBURBS	
January 1987	
Suburbs	Rent per m <sup>2</sup>
Neuilly	1,700/2,200 FF.
Levallois-Perret	1,000/1,400 FF.
Boulogne	1,000/1,500 FF.
Issy-les-Moulineaux	800/1,100 FF.
Nanterre	750/1,250 FF.
Rueil-Malmaison	650/950 FF.
Clichy	700/950 FF.
Montrouge	750/1,000 FF.
Suresnes	700/1,100 FF.
Saint-Cloud	700/1,000 FF.
La Défense-Courbevoie	1,200/1,900 FF.



OFFICE VALUES IN PARIS	
January 1987	
Paris	Rent per m <sup>2</sup>
Exceptional sites: Vendôme	2,700/3,200 FF.
George V - Montaigne	
Grande - Madeleine	
1st/2nd arrondissement	2,000/2,700 FF.
2nd/4th arrondissement	1,200/1,900 FF.
5th/6th/7th arrondissement	1,300/3,000 FF.
8th arrondissement	2,300/3,000 FF.
9th arrondissement	1,100/2,500 FF.
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Le Cube de La Défense: the symbol of suburban expansion.

too fast. Says Jean-Pierre Portet of Entreprises et Régions: "I am convinced that it is impossible to go from a certain framework of rules to total liberalization. In the past, the hedge was very high but once you crossed it you could sell what you had produced. This liberalization could bring about a terrible amount of wasted investment."

**Choice Markets**  
Many real estate professionals agree that liberalization has created a more sophisticated market in which the user will have more choice — and

difference between a vague renovation and an entirely renovated building with all the modern conveniences."

**The Move Out**

Paris is attractive — but it doesn't always fit the needs of companies wishing to regroup or expand. As the cost of office space in the inner city rises, both French and foreign companies are getting acquainted with suburbs to the West and the South as well as the five new towns of Evry, Melun-Senart, Mame-la-Vallée, Saint-Quentin-en-Yvelines and Cergy-Pontoise.

Says one real estate adviser: "The situation now is just the opposite of what it has been over the past few years. In the 1970s the demand was for the center of Paris and the center of the regional capitals. Now high tech parks have come of age around cities and while there is not exactly a mass move away from Paris, companies setting up in France are now more willing to consider locations farther away than the prized 'Golden Triangle.'"

**La Défense**

The move toward the suburbs began in the 1970s, first with a shift toward Neuilly and then across the bridge to La Défense, an office complex created on the doorstep of Paris in the late 1950s by the central government as an alternative to the Paris office squeeze. Although the complex had its ups and downs,

particularly after the oil crisis in 1974, it is now "95 percent" finished according to officials at the Etablissement Public pour l'Aménagement de la Défense (EPAD), the public body in charge of planning at La Défense, which qualifies the project as a "total success." Says Clive Llewellyn,

president of Féau Enterprises: "I think the turnaround at La Défense was one of the major success stories of the past few years. It came from being a white elephant disaster and totally unlettable to a highly successful operation."

Comments Paul Raingold, managing director of Générale

Continente Investissements which reinforce the perpendicular aspect and act as the fore-runners of what can be the reorganization of La Défense toward the North and South." Developers say that the 35,000 square meters of office accommodation which will be spread over seven individual low-rise buildings adjacent to the cube will be the first project in La Défense to provide raised floors for cabling.

The success of La Défense clearly lifted any stigma investors, developers, and users may have felt about the suburbs. "It is a fact," says an EPAD spokesman, "that the 2 million square meters of office buildings now being put

up in the suburbs would never have been launched without the success of La Défense."

Between two million and three million square meters of offices are being planned in the Western suburbs of Levallois, Puteaux et Courbevoie for 1992 — compared to only 550,000 square meters of new office buildings within Paris. Cassandras say the building spree will lead to a glut. Most professionals, however, say that the building in the sub-

'As soon as the requirements were waived, developers began building as rapidly as possible. It was a revolution.'

dollars as a turnkey operation from the SAEM Tête Défense, a semi-public body, La Colline Nord forms part of the prestigious La Tête Défense complex, best known for its empty marble cube with 110-meter-long sides designed by the late Danish architect Johan Otto von Spreckelsen. The walls of the Grande Arche will house 35 floors of offices for 5,000 employees. On either side are low-rise office buildings designed by architect Jean-Pierre Buffi, who says his aim is to "create a series of buildings

(Continued on Page 10)

## IN THE CITY OR SUBURBS FIND THE RIGHT LOCATION



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New branch office openings in 1988: Strasbourg and Barcelona (Spain)

French Commercial Real Estate (Continued from Page 9)

urbs will simply lead to more choice. Says Clive Llewellyn of Féau Hampton Enterprises: "The question of overproduction in the Western suburbs is one of quality not quantity. It is probably the older, less well-located buildings which will suffer most, not those just going up. But we are defini-

nitely moving toward a situation where there is a choice in the Western suburbs." High Tech The suburbs of Paris have lent themselves admirably to the development of high tech parks. CGI, the leader in France of rental parks, has 27 of these centers in France, 22

of which are located around the Paris area. One of the most important of these areas is the Cité Scientifique Paris Sud, where the company has 700,000 square meters of high-tech buildings. This area, situated between the new towns of Saint-Quentin-en-Yvelines and Evry, is home to

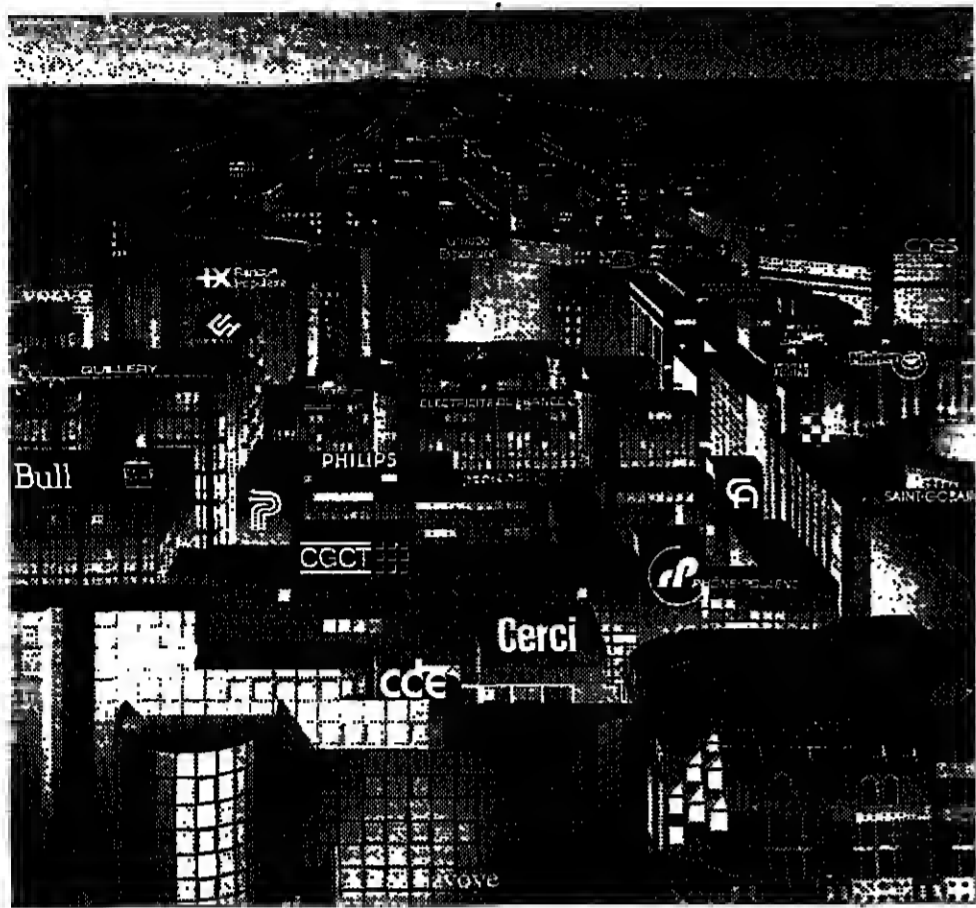
8,000 high-tech enterprises, including Thomson, Marz, IBM, the CGE, and Alcatel.

Besides Saint-Quentin-en-Yvelines to the west, which has attracted the headquarters of the French construction giant, Bouygues, and Electronique Serge Dassault, the four other new towns of Evry, Mame-la-Vallée, Melun-Sénart and Cergy-Pontoise, have also acted as attractive poles for companies wishing either to regroup or to pay rents which are sometimes as low as 500 francs per square meter. The extension of the RER and the construction of the "Francilienne," a highway network which will link all the new towns in the next few years, has given an addi-

Descartes, a future technological park, brings in 30,000 clients a year. The Ecole Supérieure des Ingénieurs en Electronique et Electrotechnique and the prestigious Ecole Nationale des Ponts et Chaussées, as well as Honda, Control Data, Danzas and IBM, have all set up operations in Mame.

Jean-Paul Bertheau, assistant general manager of Meunier Promotion, a subsidiary of the Banque Nationale de Paris, recalls: "In 1974 there were a few low-cost housing projects, a shopping center and a parking lot with 5,000 places and not one empty office building." Since that time Meunier has built 100,000 square meters of office

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Paris is attractive — but it doesn't always fit the needs of companies wishing to regroup or expand.

tional boost to the activity of the expanding new towns.

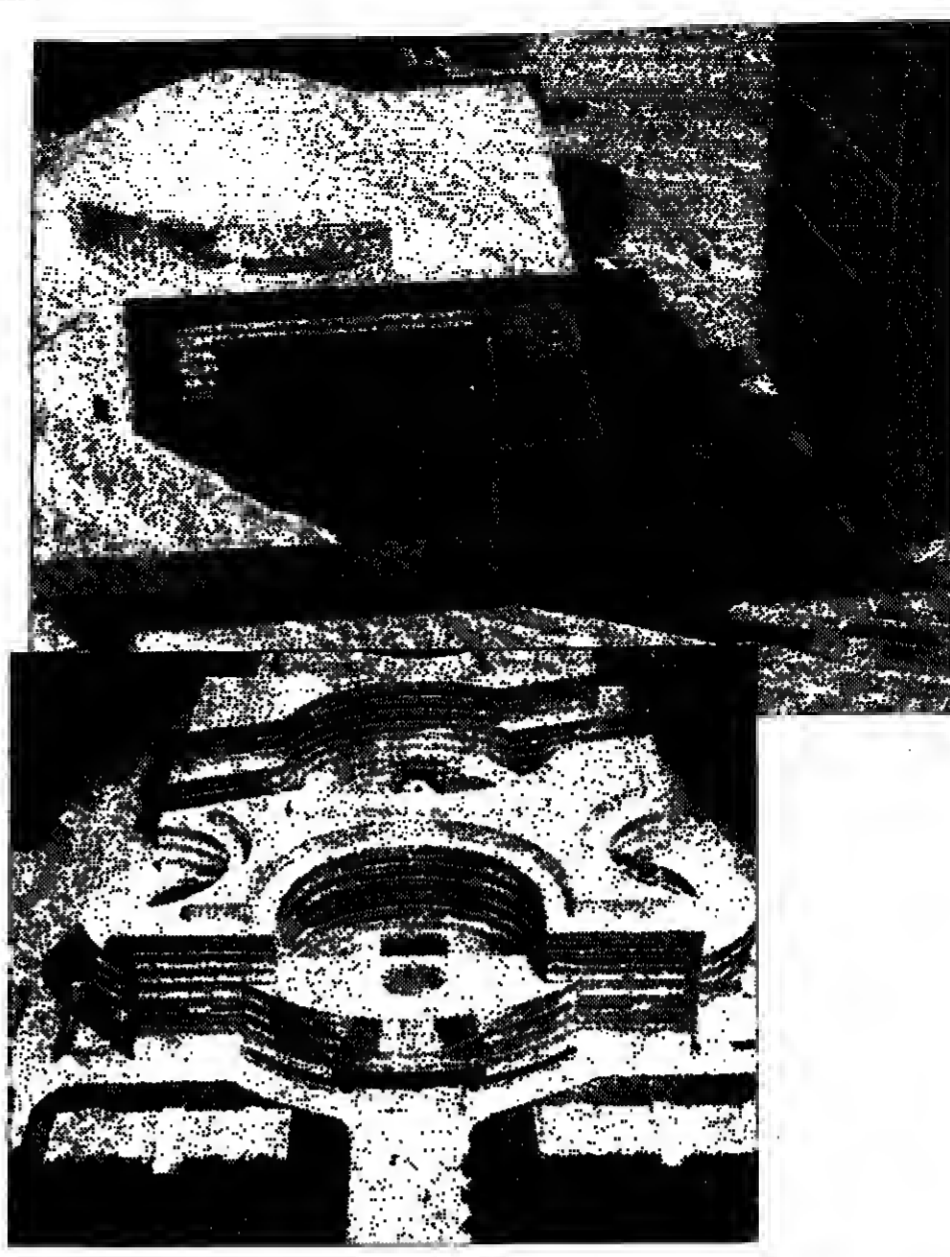
Once companies have made the move out of Paris, they often start to expand in earnest. In Evry, where high-tech companies such as Hewlett Packard and Digital have located, 60 percent of the new jobs created last year were in resident companies compared with 70 percent created by new companies in 1985.

Mame-la-Vallée, at only 12 kilometers from Paris, is the closest of all the new towns to the city center. An area of rich farmland some 15 years ago, this rapidly developing area, composed of 15,000 hectares of land spread over 26 communes, has attracted companies such as Bull, whose Training Center at the Cité

buildings with 300,000 square meters being planned.

Mame's real claim to fame is Eurodisneyland, "a fantastic calling card," according to Jean-Marie Boyer of EPAMARNE, the public body in charge of developing Mame-la-Vallée. "The arrival of the RER would have been inconceivable before Disney decided to set up there. And it has brought a lot of private companies out here. The choice of Mame-la-Vallée by Eurodisneyland has really given a notoriety and a certain status to this new town."

Financing The French have long held a love affair with real estate. However, as direct ownership in residential property has declined over the past decade, legislation was introduced to



rental or leasing. SICOMI's provide leasing facilities with a purchase option for the tenant at the end of the contract. In addition, the SICOMI can acquire property for its own account as a permanent investment. In exchange for tax exoneration, the Sicomi has to distribute at least 85 percent of its annual profit to its shareholders. Interball, a SICOMI created by the Crédit Commercial de France, a Swiss group composed of Winterthur, Intershop Holding, Union de Banques Suisses and a German group, says that the average shareholder is a "family man interested in making a 7 per-

cent annual return on his investment." Total investment in SICOMI's over the past 20 years has amounted to 155 billion francs. Of that, Interball's part is 700 million francs. "The market will continue to have a strong demand, mainly from service companies and we'll see rents continuing to rise and the capital continuing to attract foreign investors. Hopefully there will be a more fluid market with a relaxation in planning regulations, which will make it easier to reconstruct buildings inside Paris," says Robert Lipscomb of Healey and Baker.

Paris Intramuros

THERE is more to Paris than the "Golden Triangle," an area that extends from Trocadéro to the Porte Maillot and Opéra. The Paris city government has carried out extensive efforts to redevelop the east of Paris — a traditional area for small shopkeepers and crafts-

men which, unlike the west of Paris, has virtually no company headquarters. As a part of the extensive development plan of the area, 300,000 square meters (360,000 square yards) of new offices will be built, excluding the new Ministry of Finance. The American Center, whose traditional

home has been on the Boulevard Raspail since 1931, is currently negotiating with the city for a location within the new Bercy development. "It is true," says Henry Pillsbury of the American Center, "that the Montparnasse of the '80s has now shifted to the area behind the Bastille."

Although Montparnasse may no longer be the hub of artistic talent that it once was, the 57-story Tour Montparnasse built in the '70s has transformed it into an active office area. The next major development in Montparnasse — probably one of the last in the center of Paris (not counting the 45 hectares of land at Dupleix to be sold by the Defense Ministry) — will be a 1.5 billion franc project by the French company GFF. They plan to build a 3-hectare park and office complex over the new station for the TGV Atlantique (train grande vitesse), which will link Paris to Bordeaux in three hours. The complex — the Nord-Pont with 43,000 square meters of

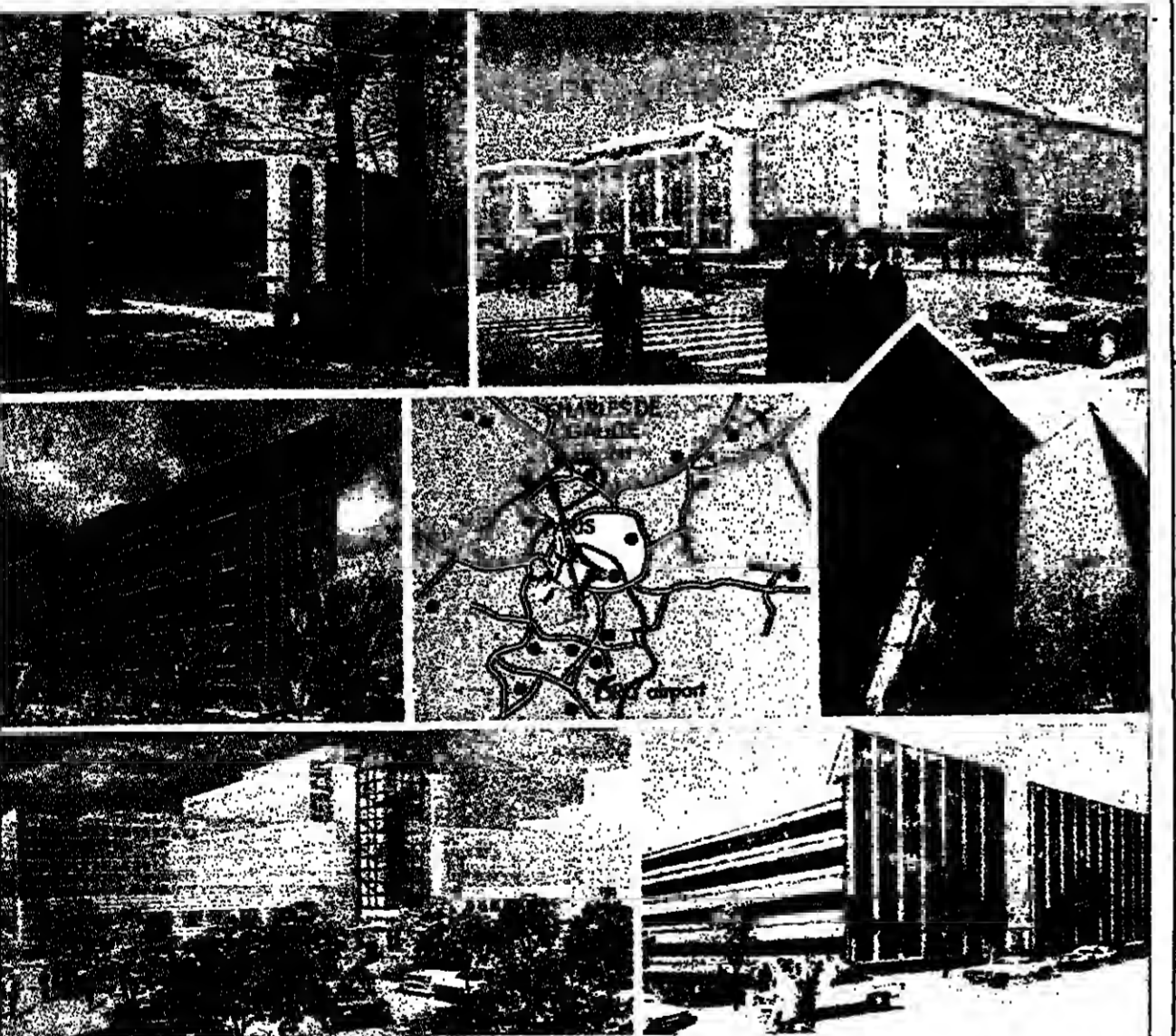
offices and shops and the Sud-Pont with 30,000 square meters of offices and shops — will be linked by pedestrian galleries. The complex will be designed by French architect Jean Willerval.

Developers are also watching the Stock Exchange, where space has become exceedingly tight due to deregulation and the growth of financial service companies. Some rumors would have a "Financial City" being set up outside Paris. Others expect expansion probably closer to home, in the Garment District, though this would depend on easing local planning restrictions. At any rate, this is one area planners will be turning their attention to in the future. Says Clive Llewellyn of Féau Hampton Enterprises: "I think the space problem in the area of the Stock Exchange is one of the major problems in Paris today."

This Advertising Section was written by Harriet Welty-Rochford

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What is the... THESE days, the... non is less... than a handful... "house" or "intelligent" man... in the United States... and Europe, the... of how to either make... really exciting building... building from scratch... much in the minds of... as real estate profess... de la France. Just recently the... construction giant Bouygues... and IBM announced the... of a common subsidiary... whose speciality will be... search and delivery of... smart buildings. Called... Technologies, the group's... is an estimated... of the 70 million... square meters of offices... interested in the concept... of a smart building. One on the heels of IBM... and Bouygues, other groups... and Spe. Bouygues also...

The Spread... FRENCH businessmen... Jean-Jacques... works at the U.S. com... Black and Decker in the... suburb of Dardilly and is... "regular" on the Paris-Lyon... TV set — sometimes even... along the train in the mar... to return to Lyon the same... coming, Patrick Giffay, busi... manager for Monsanto... Agulard Company in Isle... d'Orbon, a new town outside... of Lyon, travels to Paris two... days a week. The French national... company estimates that... approximately 9,000 people... like Lland and Giffay... cross France every day. Going... to Paris from Lyon — equiva... to San Francisco — is, for... most French businessmen... not a simple biz. However Packard in Greno... ble says that some of its em... ployees make so many trips —... an average of 90 return trips in... the week — to Paris that the... company has set up an in... house travel agency. While the overwhelming... majority of headquarters of... multinationals remain in Par... is, more and more firms have... set up branches in the provin... ces. Says Jean-Claire Mirel... director of SOPREC, a real... estate subsidiary of the Caisse... des Depots, which owns... 578,000 square meters of of... fices all over France: "Over... the past decade improved ai... rline and train service as well... as telecommunications have... created a market in the provin... ces which is both spontaneous... and voluntary. Many compa... nies, particularly foreign ones... ask to go to the provinces." According to the magazine... "Entreprises et Regions," the... office market in the provin... ces has increased 60 percent over... the past two years, from... 153,400 square meters of new... square meters last year. Twelve cities — Lyons, Lille... Nantes, Grenoble, Rennes... Rouen, Toulouse, Bordeaux... Nancy, Strasbourg, Nice and... Marseille — account for 70... percent of the commercial... property activity.

مكتبة النور

# What Is the IQ of your Building?

**T**HESSE days, the question is less facious than it sounds. Thanks to a handful of truly "smarter" or "intelligent" buildings in the United States, Japan and Europe, the question of how to either make an already existing building "intelligent" or to conceive such a building from scratch is very much in the minds of developers and real estate professionals in France.

Just recently the French construction giant Bouygues and IBM announced the creation of a common subsidiary whose specialty will be the research and delivery of turnkey smart buildings. Called IB2 Technologies, the group's target is an estimated 6 to 7 percent of the 70 million square meters of offices potentially interested in the concept of a smart building.

Close on the heels of IBM and Bouygues, rival groups Bull and Spie Batignolles also

announced they would cooperate on technological innovations in offices, particularly pre-cabling systems. Bull cabling systems will install all the computer equipment in Spie's new headquarters at Cergy-Pontoise.

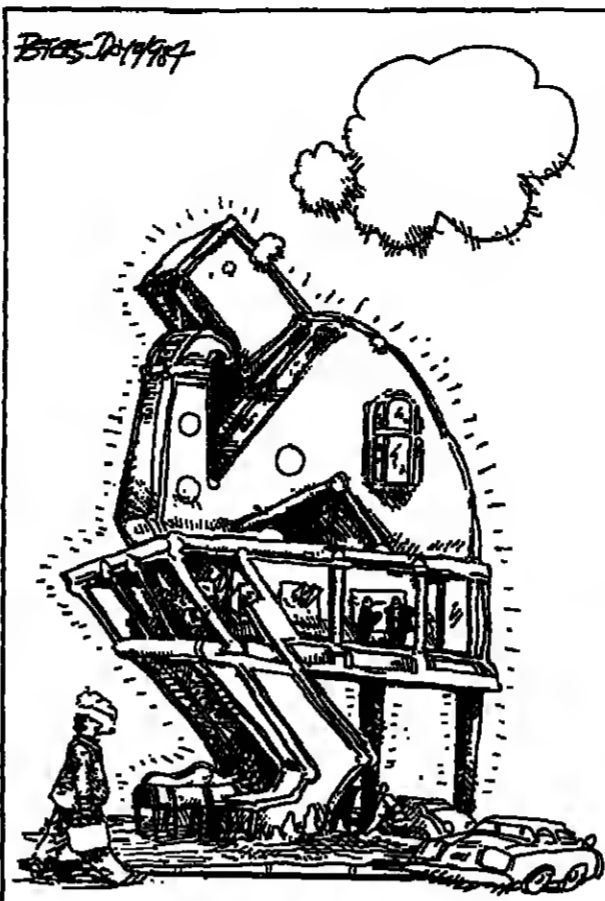
The definition of a smart building varies slightly from country to country. Generally speaking, though, a smart building is one with state-of-the-art office automation, ventilation and security systems. The antithesis of the generation of anonymous skyscrapers, a smart building is a low-rise with plenty of natural light, greenery and possibility for the personnel to meet each other around the various patios and atriums designed as crossways. Generally, the architecture and design of a smart building makes a powerful statement about the company's image.

Says Claude Barbier, general manager of Jones, Lang,

Wootton: "In France there are buildings which are 'intelligent' to varying degrees. Companies such as Bouygues, for example, have created their own buildings with the most sophisticated office automation but for the moment no developer in France has created a smart building for different users."

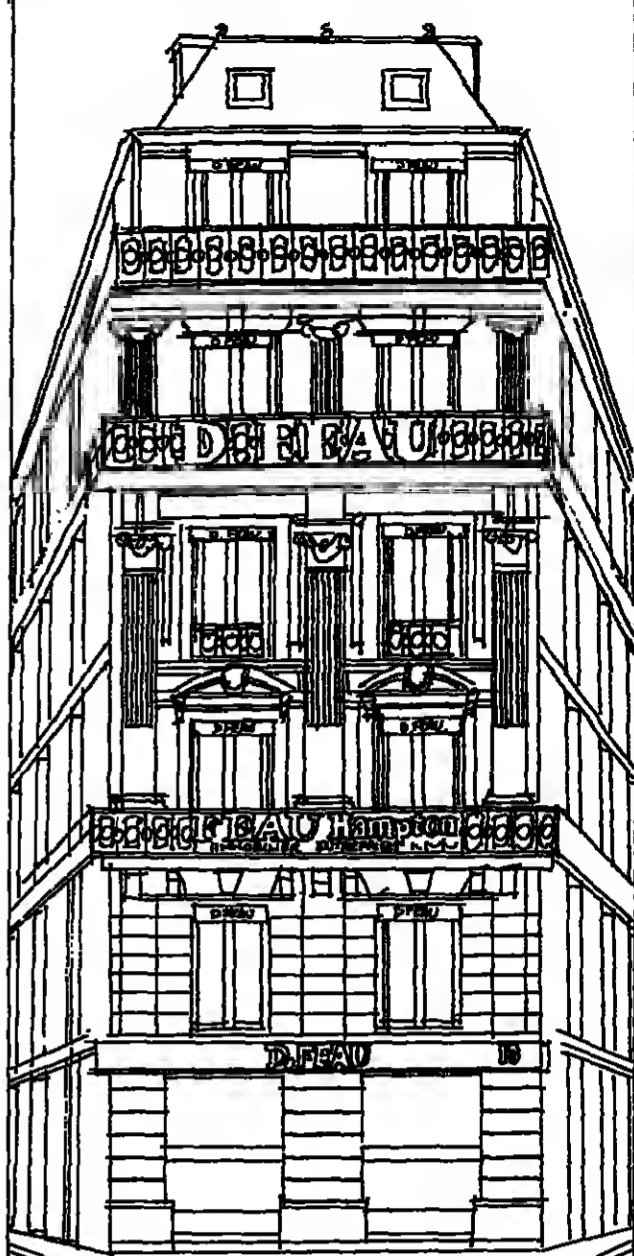
Recent buildings, however, are tending to be as smart as they can. Auguste-Thouard is currently commercializing the Parc du Bois Briard, 24,000 square meters of offices in the new town of Evry which differ radically from traditional office buildings. Presented as a "shell and core," this high-tech building offers numerous combinations of ventilation and for cabling. The ceilings, which are almost 4 meters high, will allow users to vary floor level depending on individual needs.

For British developer Keith King and the KLN architect-



tural firm which has designed the buildings, technological innovation is the key to the future. Architect Gérard Leroy of KLN says that many buildings are now becoming totally obsolete for high-tech purposes. "Some buildings," he says, "are not being rented because they are just not up to standard." In the future, he says, "users will be asking for buildings which are flexible and adaptable. The ones which are impossible to equip for cabling run the risk of remaining unrented."

In spite of efforts to go even further to meet the technological age, France does not yet have a host of smart buildings. Instead, says Claude Barbier of Jones Lang, "it has smart buildings with different IQ's." The next challenge for developers will be to make existing buildings smarter and come up with a whole generation of intelligent buildings adapted to the needs of high technology.



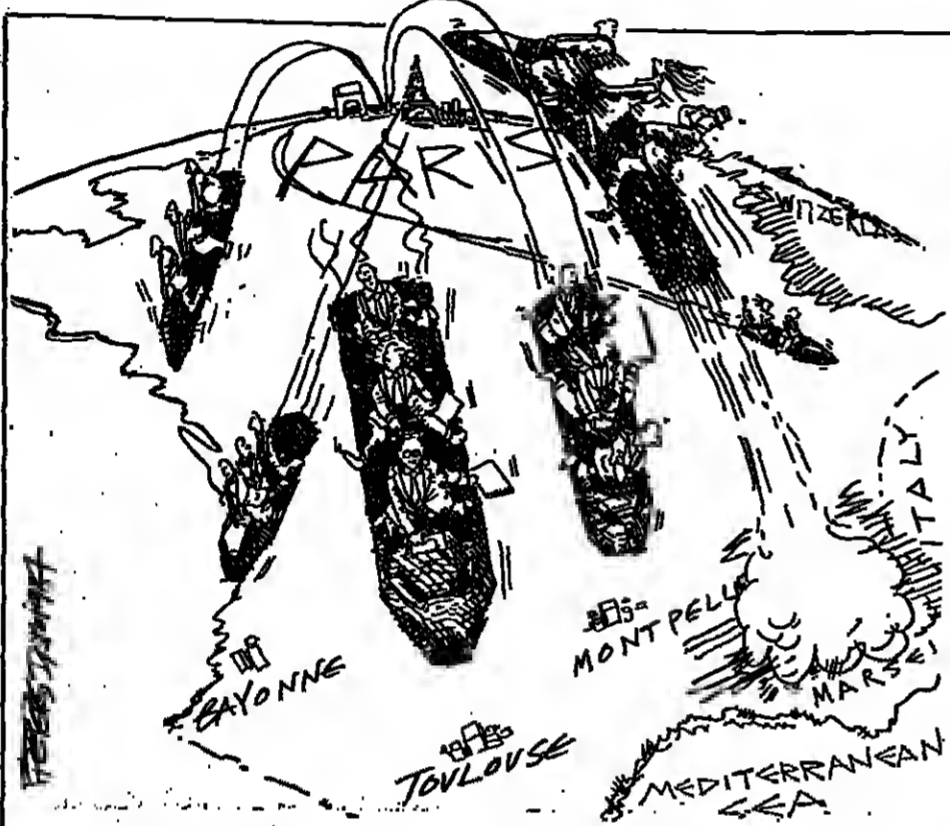
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# The Spread of Shuttle Biz



**F**RENCH businessman Jean-Jacques Liard works at the U.S. company Black and Decker in the Lyon suburb of Dardilly and is a "regular" on the Paris-Lyon TGV run — sometimes even taking the train in the morning to return to Lyon the same evening. Patrick Geffray, business manager for Monsanto Agriculture Company in Isle d'Abeau, a new town outside of Lyon, travels to Paris two days a week.

The French national railroad company estimates that approximately 9,000 people like Liard and Geffray criss-cross France every day. Going to Paris from Lyon — equivalent to going from Los Angeles to San Francisco — is, for most French businessmen, just shuttle biz.

Hewlett Packard in Grenoble says that some of its employees make so many trips — an average of 50 return trips in the week — to Paris that the company has set up an in-house travel agency. While the overwhelming majority of headquarters of multinationals remain in Paris, more and more firms have set up branches in the provinces. Says Jean-Clair Maurel, director of SOPREC, a real estate subsidiary of the Caisse des Depots, which owns 578,000 square meters of offices all over France: "Over the past decade improved airline and train service as well as telecommunications have created a market in the provinces which is both spontaneous and voluntary. Many companies, particularly foreign ones, ask to go to the provinces."

According to the magazine "Entreprises et Regions," the office market in the provinces has increased 60 percent over the past two years, from 153,400 square meters of new offices in 1984 to 246,000 square meters last year. Twelve cities — Lyons, Lille, Nantes, Grenoble, Rennes, Rouen, Toulouse, Bordeaux, Nancy, Strasbourg, Nice and Marseille — account for 70 percent of the commercial property activity.

From Lille in the north to Toulouse and Montpellier in the south, the provinces are moving. "Technopoles" or scientific business parks are sprouting up on the periphery of many provincial cities.

In Bordeaux, the commercial property market didn't really get off the ground until 1981 when the Banque Privée de Gestion Financière built a Parc Club near Merignac Airport. Since then the regional headquarters of 80 companies, including Agfa-Gevaert, Alcatel, Bouygues and Sodexho, have located there. Other operations such as Bordeaux Lac have attracted companies like

IBM and Miele, a 1,600-person conference center and a hotel capacity of 1,000 rooms.

In Lyon, second only to Paris for its scientific and research industries, municipal authorities have pushed for a scientific center around Gerland, a former slaughterhouse district only 10 minutes from the heart of the city. With Ecole Normale Supérieure de Lyons as its hub, Gerland comprises a plethora of biotech or pharmaceutical companies. Another "technopole" in Lyons Ouest includes four "grandes écoles," and computer, electronic and biotech firms such as Black and Deck-

er, Bull, Hewlett Packard, IBM and Merieux. According to Patrick Verdier of Auguste-Thouard in Lyons, the market progressed regularly in 1986 with a demand primarily for smaller offices (around 230 meters).

Further south, Toulouse and Montpellier have a foothold on the future. Montpellier, the first city in the world to be equipped on an industrial scale with a fiber optics cable network, has created Montpellier Technopole, which has four main centers of interest: agromony; new communications; health; and electronics and information processing. Launched by IBM, which settled in Montpellier in 1965, the computer industry and high-tech sectors now account for one third of the city's activities. Says Christian Felix, director of the SOPREC at Montpellier, which has commercialized the Agropolis scientific park for companies in the agricultural processing sector: "There has been such an acceleration of demand in Montpellier that for the past three years the rate of occupancy of new buildings has been 30,000 square meters a year, half for public building, half for private."

Currently there are 100,000 square meters of offices available for rent or sale in the southwestern metropolis of Toulouse, where the main areas for offices are near the airport of Blagnac, Labège in the southeast and "Compans-Caffarelli" in the center of town. Small wonder: the me-

ropolis of over half a million people is the home of the European aeronautics industry with Aérospatiale and the Centre National des Etudes Spatiales as well as foreign firms such as Motorola, IIT, Cannon Electric and Bendix. According to Guy Schlegel of the Chamber of Commerce of Toulouse: "The strong acceleration of new programs corresponds to a very strong demand. From 35,000 to 40,000 square meters of offices are being rented or sold every year."

Southern cities tout the good life and the exceptional climate but Lille, with a population of 1.1 million, will have the TGV Nord linking it to Brussels in only 35 minutes, and Amsterdam in two and a half hours. While the Chamber of Commerce says office space in Lille now runs

around 28,000 square meters marketed a year, Auguste-Thouard puts the figure for the Lille area at 40,000 square meters. In any event, real estate professionals hope that the coming of the TGV will bring in new companies. "The TGV is going to redistribute the map toward the North," says Philippe Liefroy of Faniel Industries Nord. "It should stimulate the market in the city center and modify the commercial real estate market here."

"The market in the provinces is going well," says Jean-Pierre Portefaît of Entreprises et Regions. But, he adds, smaller towns such as Angoulême or Angers suffer from low offer and could use "a few brave souls" to launch office buildings. "When the offer disappears the demand doesn't make itself known," he says.

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cial districts of Val Maubuée, or the Enterprise Zone at St-Thibault-des-Vignes, every opportunity is available for setting up and expanding business. And a young and highly-qualified local population makes it easy to find excellent personnel. Marne-la-Vallée is already the choice of companies like DANZAS, CONTROL DATA, BULL, SANDA, CGE or TRT TI — not least because of the care and attention given to the surrounding landscape and pleasant working environment.

Indeed, even the term technopolis is inadequate to describe such an area. Soon heading for 2,000,000 square meters of office space and 650 hectares of industrial estate, set in the heart of 15,000 hectares of woods and lakes, close to residential areas, Marne-la-Vallée is much more than a technopolis: it is a real living city, tailored to the human aspirations and technologies of our modern age.

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SCIENCE

Satellites, Weapons In Battle of Deception

By William J. Broad New York Times Service

BATTERY of new technologies, some mature, others on the drawing board, will help the United States overcome Soviet efforts to deceive Western spy satellites, according to former government officials, space experts and private scientists.

For years, largely without public knowledge, the two superpowers have vied to fool each other's surveillance satellites and the military analysts who interpret top-secret photographs made from space.

Weapons in the war include camouflage, concealment, decoys and misleading deployments of real weapons. Both sides use ground-based radar and computers to track hostile satellites and to predict when they will pass overhead, allowing military units on the ground to hide or disguise sensitive operations.

False deployments of tanks, planes, missiles, command posts and other military installations are seen as important for creating a psychological edge in peacetime and for drawing away enemy fire from real targets during war.

Nuclear arms are supposed to be exempt from such games. The United States and the Soviet Union have agreed in treaties to refrain from interfering with satellite reconnaissance to monitor compliance with nuclear arms agreements. But critics say neither side has completely lived up to the pledge.

The West has long been at a disadvantage in the war of deception because it is difficult to keep operations and false deployments secret in an open society. But it has recently made several advances in ways to see through Soviet deception. By the 1990s, military experts say, Western spy satellites will be nearly impossible to track and will be able to see through clouds and outwit enemy camouflage and decoys.

Dino A. Brugioni, a senior reconnaissance official at the Central Intelligence Agency for 34 years before his retirement in 1982, said: "There's no doubt that the West has the advantage" in perfecting the new technologies, which rely heavily on advanced materials, electronics, computers and optics.

The KH-11 spy satellite launched last week by the United States boasts technologies that mark a first step in that direction. The KH-11 has powerful, lightweight engines that allow controllers on the ground to maneuver it in orbit. Future spy satellites will be capable of being refueled, dramati-

cally extending their range and lifespan.

A second future technique is to build spy satellites out of materials, like those in the "stealth" aircraft, that absorb or disguise radar waves, making them invisible to enemy equipment.

Yet another technique would be to create sensors that can record more than the waves of visible light, enabling them to expand from simple black and white images to simultaneous measurements of hundreds of distinct parts of the electromagnetic spectrum. Such sensors could see through camouflage and gather subtle clues about whether "weapons" are made of metal or plastic, whether they are real or fake.

In the Soviet Union, such concealment and deception is called *maskirovka*. The name is applied to any measure that aims at disguising the real picture and showing a false one to an enemy.

Viktor Suvorov, a former Soviet intelligence officer who defected to the West in 1978, says the Soviet military collects data on hostile spy satellites, predicts their orbits and tries to dodge or deceive them.

"No trials of tanks, aircraft, radio sets, radars, or submarines were to be undertaken if, at a particular moment, a hostile satellite was overhead," Mr. Suvorov wrote in his book "Inside the Soviet Army." He said the increasing accuracy of American missiles prompted the production of false targets.

ACCIDENTS of nature have occasionally helped reveal Soviet deception. In his book on the Soviet military, "The Threat," Andrew Cockburn tells how American photo interpreters in the early 1970s discovered that a new ballistic missile submarine had joined the Soviet northern fleet at Polyarny on the Barents Sea. But after a storm swept the area the new "submarine" was bent in half.

Mr. Brugioni said such incidents suggest ways for the West to see through some Soviet deception, even without new technologies.

"The photo interpreter has all kinds of tricks," he said. "If the Soviets put up dummy aircraft, you never see them being serviced. If they put up rubber dummies and decoys, you see them smashed as the weather and seasons change."

Although the Soviet military is considered a master in the art of satellite deception, the American military has learned a few tricks over the years.

The most common practice is to stay out of view of Soviet satellites. For instance, during the unsuccess-

ful attempt in 1980 to rescue American hostages in Iran, about 400 soldiers and airmen involved in the effort were stationed in Egypt, along with their weapons and aircraft. All their activities were carefully timed. Whenever a Soviet reconnaissance satellite was to pass overhead, the soldiers took cover in an aircraft hangar.

The Navy has used such methods to hide ships at sea, timing their speed of transit to avoid passing satellites. In 1985, for example, an American naval force evaded Soviet detection during its passage across the Atlantic. Its commander, Vice Admiral Henry Mustin, later boasted: "We disappeared from the face of the earth as far as the Soviets were concerned."

Paul B. Stares, a space expert at the Brookings Institution in Washington, said the Navy not only knew how to avoid Soviet satellites but practiced having its ships temporarily sail on false courses in order to trick them.

The American military is increasingly looking to advanced technologies as a way to outwit the Soviets, experts say. The KH-11s engines, for instance, allow it to move around in orbit and to show up in unexpected places, thwarting attempts to conceal or mislead. "Every time we have a satellite in a position where it's not supposed to be, or launch a new satellite, we see things we've never seen before and don't see again after they catch on" by tracking and predicting the satellite's orbit, said Angelo M. Codivilla, a senior research fellow at the Hoover Institution in California and a former staff member of the Senate Intelligence Committee.

The next generation of American spy satellites, the KH-12, will have its engines refueled by military astronauts working from the space shuttles or the proposed space station.

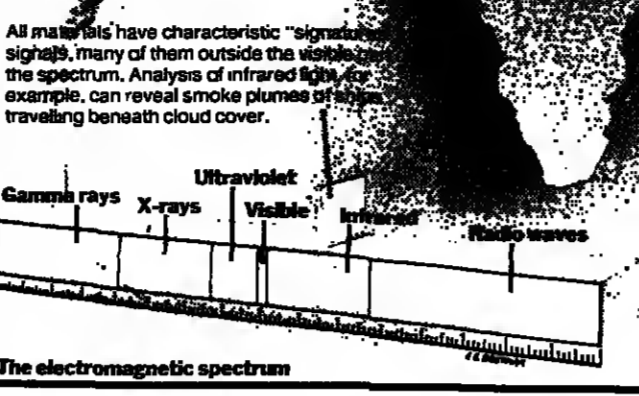
"Access to filling pumps will allow almost constant maneuvering," said William E. Burrows in his recent book, "Deep Black: Space Espionage and National Security." Such movement, he added, "will make concealment and subterfuge — *maskirovka* — all the more difficult."

The ultimate way to foster unpredictability is to be invisible — a top-secret endeavor being hotly pursued by designers of military satellites.

Stealth techniques are widely used in military fighters, bombers and cruise missiles to reduce their visibility to enemy radar. Two main methods involve replacing metals with lightweight composite materials that absorb radar signals, and smoothing body parts so they de-

Beyond Visible Light

New sensors on spy satellites will go far beyond black and white imagery to use multiple other parts of the electromagnetic spectrum, allowing them to see through clouds and camouflage and distinguish between plastic and steel.



All materials have characteristic "signature" signals, many of them outside the visible spectrum. Analysis of infrared light, for example, can reveal smoke plumes of ships traveling beneath cloud cover.

fect radar signals rather than reflect them. Congressional experts on weapons say the Pentagon is applying stealth techniques to satellites, an assertion the Defense Department declined to discuss. It is known, however, that in April 1984 the space agency launched a four-ton cylinder (3.5-metric tons) carrying experiments to develop new space-age materials including secret ones for making stealth satellites.

Perhaps the most exotic and powerful technique under development is the effort toward satellite sensors that can simultaneously monitor hundreds of distinct parts of the electromagnetic spectrum, a technique scientists call "multi-spectral" analysis. The goal is to gather subtle clues about the actual physical makeup of observed objects and to penetrate natural barriers and camouflage.

Paul D. Zimmerman, a physicist and senior associate at the Carnegie Endowment in Washington, said the process was similar to performing "a rough chemical analysis" of earthly objects from spy satellites several hundred miles away. "Anything that's camouflaged or decoyed will be seen to be that way," he said. "You'll be able to see it physically and chemically different from the thing it's pretending to be."

Multiple spectral techniques were pioneered not by the military but by civilians, in particular the National Aeronautics and Space Administration. In the 1970s NASA created two pioneering satellites, Seasat and Landsat, the former working in the radio-frequency range of the electromagnetic spec-

trum and the latter the visible area of the spectrum. The current generation of Landsat satellites have sensors that simultaneously monitor seven different parts of the spectrum. Civilian scientists have discovered that bands can reveal subtle clues about objects under observation on Earth.

The military's aim is to vastly expand the number of channels being monitored from space in order to increase the power and sophistication of remote chemical analysis. Decoys made of wood or plastic could thus no longer masquerade as metal. Camouflage would be revealed as canvas rather than foliage. Penetrating clouds and other barriers is possible when space sensors focus on revealing signals. One day, for example, James A. Coakley Jr., a senior scientist at the National Center for Atmospheric Research in Boulder, Colorado, was looking at a 3.7-micrometer space photo of the ocean, which is in the infrared region. Clouds were nearly invisible. But the picture was covered with myriad streaks, which he quickly realized were caused by gases from smokestacks of passing ships. "What's really amazing is that you see no signals from the smokestacks in the visible," he said. "The future is very interesting," said Brian Gordon, a Defense Intelligence Agency analyst, noting that multispectral sensors were under development that could simultaneously monitor 224 parts of the electromagnetic spectrum. "The skies may be crowded in the future" with new kinds of satellites, he said.

The Smallpox Quandary

By Harold M. Schmeck Jr. New York Times Service

TEN years after smallpox ceased to exist as a human disease, virus experts and public health officials are in a strange quandary: what to do with the last surviving smallpox viruses.

These viruses exist today in only two places, high security laboratories in Moscow and at the U.S. Centers for Disease Control in Atlanta.

Now, on the 10th anniversary of the eradication of smallpox, the experts are questioning whether or not those last stocks of variola virus — the cause of smallpox — should finally be destroyed.

"No scientist is working with viable variola virus or is likely to be allowed to do so," said Dr. Keith Dumbell of the University of Cape Town in South Africa, writing in *The Lancet*, a medical journal.

"To the best of our knowledge," he added, "destruction of all remaining laboratory stocks of variola virus would seal the final seal on the attempt to rid the world of this infectious scourge."

But some specialists have argued that the virus should not be erased from the world, partly because unforeseen research uses might arise in the future and partly because once it was destroyed, it could never be raised from extinction.

The deliberate extinction of a species would be an unprecedented step. But this is a species that, over thousands of years, has killed many millions of people, often killing one in five of those infected and disgusting many of the survivors.

Now the only surviving representatives of the virus are stored in vials kept in freezer lockers at minus 94 degrees Fahrenheit (minus 70 centigrade).

The high security laboratory in Moscow is now used mainly for diagnostic work on the AIDS virus, according to a doctor who visited there recently. The laboratory at the Centers for Disease Control is also used for other purposes.

The last naturally transmitted case of smallpox occurred in Merka, Somalia, in late October 1977. It is from this case that the 10-year anniversary is dated.

In 1978 two cases occurred in England because the virus accidentally escaped from a research laboratory. There have been many rumors, but no actual cases of smallpox anywhere since then.

Until 1981, research was still done with the live smallpox virus, particularly for the purpose of comparing it with suspects brought in from rumored smallpox cases anywhere in the world. But that use of the laboratory stocks is no longer necessary because advances in molecular biology have provided a safe alternative. Most of the genetic material

from the virus is maintained in a collection of circular pieces of DNA called plasmids that can be grown in bacteria. Each plasmid holds a different small portion of the virus DNA. Specialists say it would not be possible to grow a live virus from the combined material of the whole plasmid collection. Dr. Dumbell questioned virologists throughout the world about the desirability of destroying the virus. Of the 61 scientists in 22 countries who responded, only five thought the virus stocks should be preserved indefinitely. Those five offered two reasons: first, that the virus could be kept in storage with minimal risk and that this should be continued to preserve specimens of the species; and second, that the preservation of openly retained stocks was preferable to destroying them and leaving the possibility that some country was keeping secret stocks for possible use in biological warfare.

IN BRIEF

Panel Criticizes Rise in Caesareans

WASHINGTON (NYT) — About half of all women who gave birth by Caesarean section last year in the United States did so unnecessarily and perhaps dangerously, according to a report issued by a non-profit organization founded by Ralph Nader.

About 906,000 Caesarean deliveries were performed last year, about 24.1 percent of the total, according to data presented by the Public Citizen Research Group. The rate of Caesarean sections has quadrupled over the last 16 years, the report said. Dr. Sidney Wolfe, director of the group, said physicians generally agreed that only about 12 to 16 percent of women required the procedure.

The reasons for the excessive use of Caesarean sections, the report said, were the "outdated policy" of repeating the procedure for any mother who has already had one and overdiagnosis of abnormal labor and fetal distress. Dr. Wolfe also asserted that the procedure was widely used because Caesarean deliveries are more profitable and more convenient. If the increase in Caesarean deliveries is unchecked, the rate will increase to 40 percent of all births by the year 2,000, the group predicted.

Earth's Temperature on the Increase

WASHINGTON (AP) — The long-debated "greenhouse" warming of Earth could become noticeable in the next decade, according to James Hansen, director of the Goddard Institute for Space Studies. Scientists have warned that Earth's atmosphere is being changed into a greenhouse environment, trapping more heat from the sun than can escape into space — a result of adding carbon dioxide and other gases to Earth's atmosphere, largely through burning fossil fuels and wood.

Added carbon dioxide in the atmosphere has raised the planet's average temperature about 0.6 degrees centigrade (one degree Fahrenheit) during the last century, but in the coming 100 years the rise could be 2 degrees to 5 degrees centigrade, Mr. Hansen added.

The change will result in more extreme days that can affect people, crops, energy use and other parts of society. The most likely results of a warming include increasing rain and snowfall in some areas, warming of the polar regions in winter and a cooling of the upper atmosphere.

Photos Spur Himalayan Yeti Debate

NEW YORK (NYT) — The Himalayan yeti debate has been revived by an English physicist who described a sighting and presented two sets of photographs as evidence during the annual meeting of the American Alpine Club. Anthony B. Woodbridge said he encountered what he believed was a yeti in the Himalayas last year.

His main evidence consists of two sets of photographs taken on March 6, 1986, on an 11,000-foot (3,350-meter) Himalayan trail near India's border with Tibet. One photo shows fresh tracks in snow made by enormous feet with widely splayed big toes. The other, taken from a distance of 450 feet through a wide-angle lens, shows a silhouette of a vaguely human figure. His photographs have prompted skeptical comment even from self-proclaimed yeti believers. Dr. Grover S. Krantz, an anthropologist at Washington State University said, "Those pictures are definitely not of a yeti." By his own account, Dr. Krantz said, Mr. Woodbridge never positively saw the thing move. Dr. Krantz said he was sorry to cast doubt. "I am absolutely convinced that the North American squatch exists," he said. Although the photograph is sharp and well exposed, the figure in question is so distant that an enlargement of the image reveals little detail.

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مكتبة النهر

THURSDAY, NOVEMBER 5, 1987

WALL STREET WATCH

What Markets Need Most Is International Cooperation

By LEONARD SILK

NEW YORK — The stock market has behaved in a worrisome manner this week, and analysts have rounded up the usual suspects. Some fear the dollar might plummet if the central banks are unwilling to support it; others that, in Washington, cutting the budget deficit has stalled; still others that the cuts might be too little to rally the markets or too much for the economy to sustain.

But what ails the market may be deeper: not just the crisis itself but the inability of nations to respond to it. Arnold Toynbee, the British historian and philosopher, maintained that it was wrong to see history as cause-and-effect. That effect follows cause is "inevitable, invariable and predictable," he said, but the initiative people take to their encounters is "not a cause; it is a challenge. And its consequence is not an effect; it is a response."

Thus, in Germany the Great Depression brought Adolf Hitler and Nazism to power; in the United States, it brought Franklin D. Roosevelt and the New Deal. The present turmoil may confront nations with a test comparable to that of the 1930s, and a successful response must achieve now what was not achieved then: a concerting of national policies that turns crisis into constructive change.

In the United States, this means a willingness to deal with the causes of the deep trade deficit and the weakness of the dollar. Though shrinking the budget deficit will not cure all problems, it is hard to see how confidence in America's ability to deal with problems can be restored without political leaders showing that they can work together. Though a genuine plan for restoring fiscal balance may not, in itself, solve the trade problem or restore the dollar, it would prove that the United States was on the way. And to insure that the first steps toward fiscal balance did not put more downward pressure on the economy, steady monetary growth is needed to sustain the economy and its financial institutions.

But even more so than half a century ago, stable growth requires international cooperation, which was not the present fact. The most disturbing aspect of late was the apparent falling apart on basic economic policy of the United States and West Germany.

The need of the moment is not to come up with a marvelous economic formula that bridges U.S. and German differences, with Washington determined to stave off recession and Bonn determined to stave off inflation. The markets first need to see a demonstration of the political will to address the issues in a cooperative spirit, recognizing that not just each nation's interest but the interests of all nations are at stake.

So national leaders need to talk together to reconcile their differences and clarify their purposes and policies. During his visit to the United States this week, Karl Otto Pöhl, the president of the Bundesbank, sought to do so in talks with his counterpart, Alan Greenspan of the Federal Reserve Bank, and other leaders.

The roots of sticking to the exchange rates agreed to by the Western trading partners at their February meeting in Paris has deepened too costly for both the United States and West Germany. That need not mean breaking communications and cooperation. If the markets get the idea that all efforts to stabilize currencies had ended, the result would be dangerous, and possibly disastrous.

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Marris says one thing he has learned in a long career as an economist is that it's easier to make money talking about the dollar than betting on it.

Portents of an Economic Doomsayer

Stephen Marris Sees Little Chance of Avoiding Recession

By Clyde H. Farnsworth

WASHINGTON — Stephen Marris walks with shoulders slumped, head tilted forward, gray locks slightly disheveled, as if he were bearing the woes of the world. In a sense he is, as the Cassandra of Dupont Circle.

Mr. Marris, a British economist, earned the nickname after he wrote his first work for the Institute for International Economics, a research organization at 11 Dupont Circle over a cluster of other such groups. The book, published in 1985, was "Deficits and the Dollar: The World Economy at Risk."

In it he argued that the United States and the rest of the world were headed for an unpleasant recession. Like some other prophets of financial gloom, he forecast that budget and trade deficits would depress the dollar and that to attract foreign capital the United States would have to raise interest rates.

In turn, he said, that would raise the cost of capital, cause declines in the stock market, curb consumer spending and slow the wheels of industry. Cassandra, the daughter of Priam, king of Troy during the Trojan War, was cursed by Apollo: Her prophecies, although true, were fated never to be believed.

Although this year the dollar has fallen, interest rates have risen and stocks have collapsed, Mr. Marris says he is hoping that — unlike the classical Cassandra — his forecast of recession will be believed but fated never to come true.

If action is now taken to cut the budget deficit substantially, by say \$100 billion over the next two years, he contends, an economic slump can be avoided.

Mr. Marris said he hoped to retire in the next couple of years and sail with his family in the Mediterranean.

He is so convinced that the dollar is headed lower that he keeps his savings in Deutsche marks. "They are parked in Frankfurt," he said, "ready to be converted into British pounds to buy a 34-foot cruising catamaran."

"I don't have much money," he said, "but one thing I have learned is that it's easier to make money talking about the dollar than betting on it."

U.K. Banks Cut Base Rate By Half a Point, to 9%

By Warren Getler

LONDON — The Bank of England sanctioned Wednesday a half-point cut in key British interest rates, to 9 percent, in an apparent effort to reverse a sharp drop in stock prices and to slow the swift rise of the pound against the dollar.

But analysts said that the move had already been discounted by financial markets. They said that additional rate cuts would be necessary to dispel concerns about a declining dollar and a global economic slowdown, which have weighed heavily on stock prices.

Officials at the Bank of England indicated that the rate cut was unilateral and not part of a round of rate-trimming, coordinated with the U.S. Federal Reserve and European central banks.

Shortly after 2 P.M., when a key stock exchange index had dropped 83.6 points to 1,570.3, the Bank of England said that it would lend funds to the money market at 9 percent, a drop of 0.375 percentage point.

Britain's major clearing banks, led by Barclays Bank PLC, then moved to trim their base lending rates, effective Thursday, to 9 percent from 9.5 percent, where base rates have stood since Oct. 23. Britain's base rate, analogous to the U.S. prime rate, provides the basis for all commercial loans.

The base-rate cut triggered a rally on the London Stock Exchange, but the FTSE index of 100 shares still closed down 45.8 points, at 1,608.1. Shares had begun the day sharply lower, touching a trough of 1,565.4 on the FTSE index, despite a bullish speech Tuesday on the British economy by the chancellor of the Exchequer, Nigel Lawson.

The FTSE index has shed 8 percent so far this week, from Moody's opening level of 1749. The pound, which in theory should shed some of its value

would need to be in tandem with parallel moves toward economic stimulus by the United States and West Germany. "The distinct impression from Mrs. Thatcher and Mr. Lawson was that they were waiting for the Washington to deliver cuts in the U.S. budget deficit," said Peter Fellner, a senior economist with the brokerage firm of James Capel & Co. "That's why the timing of today's move came very much as a surprise."

"The trigger for the rate cut, therefore, must have been the collapse of the equity market," Mr. Fellner said. "Obviously if the equity market continues to plunge, this will put pressure on the chancellor and the Bank of England to sanction further base rate cuts." A strong pound would increase that pressure, he added.

Mr. Lawson has said he does not want a meeting of the so-called Group of Seven finance ministers until Washington produces an agreement on slashing its federal budget deficit.

The Group of Seven includes the United States, Britain, West Germany, Japan, Canada, France and Italy.

Many market analysts had expressed consternation that Mr. Lawson did not call for base rate cuts during a statement to Parliament on Tuesday. Following that speech, John Smith, the Labor Party's spokesman on Treasury affairs, sharply criticized Mr. Lawson for not cutting British rates, which he said are among the highest in the West.

The last British rate cut, less than two weeks ago, followed the release of better-than-expected trade figures for September. The trade figures put upward pressure on the pound, which gave the government some leeway to push down interest rates. Analysts had said at the time that the government was seeking to boost stock prices and stave off fears of a global recession.

Bundesbank Expected to Stand Firm on Rates

By Ferdinand Protzman

FRANKFURT — West Germany's central bank, at the center of a growing storm over the country's rigid monetary policies, will almost certainly leave its benchmark discount rate unchanged at the regular Thursday meeting of its policy-setting council, analysts agreed Wednesday.

Despite growing international and domestic pressure for a rate cut to stimulate the German economy, these analysts say, the Bundesbank is likely to continue its present policy of fine-tuning rates through its manipulation of liquidity in the money markets.

A change in the discount rate, the rate from which all others are scaled upward, is one of the most dramatic weapons a central bank can use to influence a nation's economy.

"A cut in the discount rate is not likely now," said Peter Pietsch, an economist at Commerzbank AG in Frankfurt. "The Bundesbank has plenty of room to push interest rates lower in the money market. I think they will only consider a discount cut when they have used up that room."

The 17-member central bank council consists of the Bundesbank's directors and the heads of the 11 state central banks. A discussion of interest rates is on the agenda, with Finance Minister Gerhard Stoltenberg expected to present Bonn's position, according to banking sources.

But economists and market sources said that Chancellor Helmut Kohl's center-right coalition will almost certainly keep to its cautious monetary policy and ask to keep the discount rate at its current level of 3 percent.

The discount rate and the little-used Lombard rate were last lowered in January 1986, when they were cut by one-half a percentage point each, as part of a coordinated round of discount-rate reductions with the United States and Japan. The Lombard rate is currently at 5 percent.

The United States has been pressing West Germany to lower its discount rate for months, arguing that such action would raise domestic consumption and import levels, thus easing trade imbalances and sparking faster-paced economic growth throughout Europe.

Over the past two weeks, exchange-rate factors have added weight to those demands, as the dollar's fall against the Deutsche mark has increased tensions within the European Monetary System, analysts said.

Since the stock market panic on Oct. 19, the demands have taken on a harsher tone. The U.S. Treasury secretary, James A. Baker 3d, accused the Bundesbank of bringing about the crash through what he called its obsession with pursuing zero inflation.

"It means that our living standards are lower because we can't have all the relatively inexpensive imports that we have been enjoying in recent years, and we also would expect to see the price of competing domestic goods to go up," Mr. Larson said.

Other economists see a need for action, such as a major move by Congress and the Reagan administration toward reducing the federal budget deficit.

Lars J. Pedersen, a senior economist at Merrill Lynch & Co. in New York, said that the dollar might stabilize and provide policy makers with enough time to restore the confidence of foreign investors by unveiling decisive action to reduce the federal deficit.

"If I'm assuming there is a good chance we can still do it, but I'm not saying that it's guaranteed," Mr. Pedersen said.

Mr. Pedersen and Mr. Larson said that the dollar may simply be finding a new range in response to the stock market turbulence. But Mr. Marris expressed concern that failure to take decisive action on reducing the federal deficit could send the dollar spiraling downward out of control.

Currency Rates

Table with columns for Currency, Bid, Ask, and other rates. Includes entries for Amsterdam, Frankfurt, London, etc.

Other Dollar Values

Table with columns for Currency, Bid, Ask, and other values. Includes entries for Australia, Austria, etc.

Forward Rates

Table with columns for Currency, Bid, Ask, and other forward rates. Includes entries for 30-day, 60-day, 90-day.

Interest Rates

Table with columns for Maturity, Bid, Ask, and other interest rates. Includes entries for 1-month, 3-month, 6-month.

Key Money Rates

Table with columns for Instrument, Bid, Ask, and other key money rates. Includes entries for 3-month Treasury bills, etc.

Asian Dollar Deposits

Table with columns for Maturity, Bid, Ask, and other Asian dollar deposits. Includes entries for 1-month, 3-month, 6-month.

U.S. Money Market Funds

Table with columns for Fund Name, Bid, Ask, and other U.S. money market funds. Includes entries for Merrill Lynch Ready Assets, etc.

Gold

Table with columns for Bid, Ask, and other gold prices. Includes entries for 1000 grams, etc.

Philippines' Customs Chief Says No to Graft, Yes to Gifts

MANILA — The Philippines' new customs commissioner said Wednesday that while he frowned on the corruption rampant in his department, he had told his poorly paid officers that they could accept "tokens of appreciation" from satisfied importers.

"I am looking at this in a very practical way," retired Army Lieutenant-General Salvador Mison said.

"I don't believe in reducing graft and corruption by catching people," he said. "I am in favor of making the system such that it will be hard for them to make money monkey business."

General Mison was appointed by President Corason C. Aquino as part of a government shake-up in September. In his first days in office he dismissed some customs officials, recalled a fleet of impounded BMW and Mercedes Benz limousines that had been lent to senior government officials and speeded up customs clearance by reducing the number of signatures needed on import documents from 42 to six.

Since his arrival, he said, customs collections had gone up by about 3 million pesos (\$344,500) a day. Customs Bureau figures show that revenue at the three largest points of entry — Manila's port, international airport and container terminal — climbed by 55.8 percent to 1.7 billion pesos in September from 1.1 billion a year earlier.

Total customs revenue rose 44.5 percent to 18.6 billion pesos in the first nine months of the year, from 12.9 billion in the like 1986 period. "You don't have to butcher them," General Mison said of importers. "You try to get the maximum amount due the government and then after that, if they give you anything as a token of appreciation, it's okay with me, provided it is given by these people without any ulterior motive."

General Mison said he had told customs officers that he knew their salaries were quite low, but that this should not be an excuse to extort money.

He added that he had only fired customs officials when irrefutable evidence of corruption had been presented against them.

"Let's say you are an importer," General Mison said. "You come in and I help you without any precondition. Instead of getting it — the consignment — in 10 days you get it in three days. You are very happy. So if you come to me and you say, 'Thank you very much, Mr. Mison, and as a sign of appreciation here's a reward' — this is part of our culture, Filipino culture."

Brazil Debt Accord Is Seen

NEW YORK — Brazil and its creditor banks have agreed on a formula to solve problems caused by the country's unilateral moratorium on bank interest payments, leaving only interest rates to be resolved, bankers said Wednesday.

On Feb. 20, Brazil suspended payments on about \$70 billion of medium- and long-term debt owed to commercial banks. Interest due on that money through the end of the year is \$4.3 billion.

Short-term debt and official government loans comprise the rest of Brazil's approximately \$112 billion of foreign debt.

On the second deposit, the banks want Brazil to make up the difference between the Bank of International Settlements interest rate — "about 4 or 5 percent" — and market rates.

YEAR BOOK of GREECE '87

A comprehensive almanac of information about modern Greece will appear for the first time in January 1988. It will contain lists of political, economic, cultural and sporting events from 1.11.86 - 30.10.87 arranged by subject and date.

Price: \$USA 40 - reductions of 25-35% for advance orders. For further information, please write to: "Ladra" (Year Book), 20, Alopekei Str., 106 75 Athens - GREECE

CORUM BEDETTI advertisement featuring a coin watch and contact information: Piazza S. Silvestro, 11 Tel. 6797941

NYSE Most Actives table with columns for Vol., High, Low, Last, Chg.

Market Sales table with columns for NYSE 4 p.m. volume, NYSE adv. volume, etc.

NYSE Index table with columns for Composite, Industrials, etc.

Wednesdays NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns for Adv. Declined, Unchanged, etc.

NASDAQ Index table with columns for Composite, Industrials, etc.

AMEX Most Actives table with columns for Vol., High, Low, Last, Chg.

Dow Jones Bond Averages table with columns for Bonds, Utilities, Industrials.

NYSE Diary table with columns for Adv. Declined, Unchanged, etc.

Odd-Lot Trading in N.Y. table with columns for Nov. 3, Nov. 4, Nov. 5.

Dow Jones Averages table with columns for Industrials, Total, etc.

Standard & Poor's Index table with columns for Industrials, Total, etc.

NASDAQ Diary table with columns for Adv. Declined, Unchanged, etc.

AMEX Stock Index table with columns for High, Low, Close, Chg.

Tables include the nationwide prices as to the closing on Wall Street and do not reflect late trades elsewhere.

MARKETS: Dow Falls 18 Points, Off Lows

(Continued from Page 1) nothing happens by this weekend, the market could get extremely ugly. "People are very hopeful that they saw the worst" after last month's plunge in share prices, said William LeFevre, a market strategist for Advest Inc. "But at the least sign of decline, they sell. I don't blame them, it's human nature."

The New York Stock Exchange index dropped 1.00 point to 139.11. Standard & Poor's 500-stock index slipped 1.86 to 248.96. The average price of a share lost 23 cents. Earlier, prices had fallen sharply in Asia and Europe. The Tokyo Stock Exchange's key index, the 225-stock Nikkei average, tumbled 298.07 yen, or 1.3 percent, closing at 23,060.53 yen. The index had gained 29.69 on Monday. The exchange was closed Tuesday for a holiday.

Stocks also fell in Hong Kong and Sydney, and the declines continued in European trading. In London, the Financial Times-Stock Exchange index of 100 leading shares dropped 45.8 points, or 2.7 percent, to 1,608.10. The market closed off its lows after the Bank of England pushed interest rates lower. Wednesday's market uncertainty resurrected the same fears that incited the world stock collapse last month, dealers said, and came after another skittish day in which the Dow average briefly was down more than 100 points.

The Dow index finally finished at 1,363.53 on Tuesday, down 50.56 points for the day. The session ended a five-day partial rally that had bolstered the average by more than 220 points. "A lot of the drop is from overseas investors based on lack of confidence in Washington,"

said Philip C. Puccio, manager of institutional trading at the New York investment firm Dillon, Read & Co. "I think the market is extremely volatile and I for one won't be buying."

Larry Wachtel, a market analyst with Prudential-Bache Inc., said the intense focus on the budget-cutting talks could lead to trouble later. "It's all so simplistic," Mr. Wachtel said, referring to what he called the "blinding flash" theory. In that misguided view, he said, "they cut the budget and everything will be all right."

Mr. Wachtel said he is afraid that if the budget talks yield nothing more than the \$23 billion cut expected in the first year, investors will respond negatively. Analysts cited the weak dollar, and the likely decline in Japanese export earnings, as the major factor behind the Tokyo Stock Exchange's big losses.

In Hong Kong, stock prices fell sharply in light trading. The Hong Kong Stock Exchange's key Hang Seng index slipped 103.63 points, or 4.7 percent, to close at 2,077.11. In Australia, the Sydney Stock Exchange recorded a major decline, with the All Ordinaries index plummeting 74.4 points, or 5.4 percent, to 1,290.4.

The Australian market, which has lost 41 percent of its underlying value since Oct. 20, responded Wednesday to a weaker Australian dollar and the 50.56-point fall Tuesday on Wall Street. In Paris, the Bourse index fell 2.88 percent, while in Frankfurt, the Commerzbank index dropped 57.4 points, or 3.8 percent, to 1,427.90. (AP, UPI, Reuters)

Table with columns: 12 Month High/Low, Stock, Div. Yld. PE, 52 Wks High/Low, Close, Chg.

Table with columns: 12 Month High/Low, Stock, Div. Yld. PE, 52 Wks High/Low, Close, Chg.

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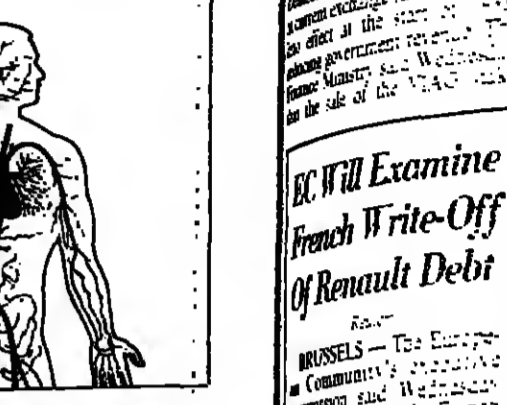
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Table with columns: 12 Month High/Low, Stock, Div. Yld. PE, 52 Wks High/Low, Close, Chg.

Blood pressure monitors... incorporate Ametek's silicon chip technology for state-of-the-art performance that's so inexpensive hospitals welcome it as a disposable item.



For current reports, write AMETEK Paoli, Pennsylvania 19301

EC Will Examine French Write-Off of Renault Debt

MUNSELL - The European Commission's executive committee will examine the French government's plan to write off Renault's debt to the EC.

The commission has taken a hard line recently against state aid to companies.

The statement said the EC commissioner for competition, Frans Andriessen, had told the French minister of industry, Jacques Martin, that a number of measures to Renault only examined together.

No for... Would actually being on the scene even the astute observer of distaste can always differentiate between the dynamics evolve only from an act of presence. The why DG/ATK maintains its offices in the world's key business centers. The benefit for our partners, um

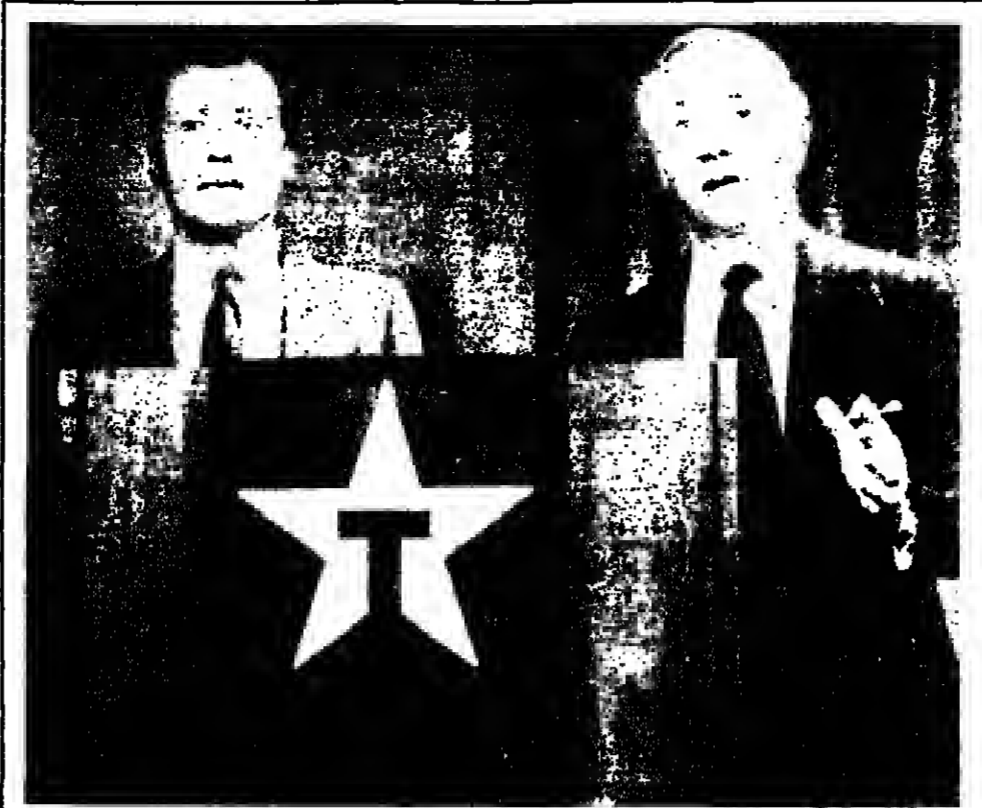
Vertical advertisement on the right edge of the page with text: "Bonni Says It's Last VIAG ST", "No for...", and "Would actually being on the scene..."

Handwritten text at the bottom center: "مکان العمل"

BUSINESS ROUNDUP

Bonn Says It Will Sell Last VIAG Stake in '88

Compiled by Our Staff From Dispatches
BONN — The West German government said Wednesday that it will sell its remaining stake in VIAG AG in 1988.



Texaco Says the Fight Will Go On

Texaco Inc.'s chairman, Alfred DeCrane Jr., left, and president and chief executive officer, James W. Kinnear, announce that the beleaguered oil giant will ask the U.S. Supreme Court to overturn a \$10.3 billion judgment awarded to Pennzoil Co. On Monday, the Texas Supreme Court let stand the award, the largest ever against a company, and analysts say Texaco's last hope is to argue that Pennzoil violated U.S. securities laws when it sought to take over Getty Oil Co. in 1983.

U.S. Automakers Report Sales Rose 11.2%

The Associated Press
DETROIT — The top three U.S. automakers' combined domestic car and light truck sales rose 11.2 percent in late October from a year earlier, indicating that last month's stock market shakeup may not yet have hurt the auto market, the companies reported Wednesday.

Company Results

Table with multiple columns listing company results for various firms including Emerson Electric, Ogdens, Read International, South Africa, United States, and others. It includes financial metrics like revenue, net income, and per share values for different quarters.

EC Will Examine French Write-Off Of Renault Debt

BRUSSELS — The European Community's executive commission said Wednesday that it will examine the French government's plan to write off 12 billion francs (about \$2 billion) of Renault's debt to determine whether the move conforms with EC competition rules.

Market Collapse Spells Hard Times for Computer Makers

BOSTON — The New York stock market's sharp fall in the past few weeks points to hard times for the U.S. computer industry, which is just recovering from two and a half years of dismal orders.

IBM Presents New PC System

LAS VEGAS — Putting an end to months of speculation, International Business Machines Corp. has announced that it will begin shipping the next generation of its personal computer operating system in December, a few months ahead of schedule.



No foreign market can be tapped from afar. Let's start at the heart. Without actually being on the scene, not even the astute observer of distant markets can always differentiate between cause and effect. In-depth insights into market dynamics evolve only from an active on-site presence.

DG BANK logo and name.

Wall Street: 500,000,000,000 Dollars lost in a day. Invest in gold now. The extraordinary events of mid-October dramatically demonstrated just how vulnerable paper investments have become. This is why financial analysts advise shrewd investors to protect their hard-won gains (or what is left of them) by putting a good part of their assets into the solid security of gold.

Vertical text on the far left edge of the page, including 'J.S.', 'asers', 'It', 'S patients', 'in San Fran', 'n Guerrillas', 'per of Milit', 'e Killing', 'right', '8?', 'DATA', 'CONGR', 'BANK'.

Wednesday's NYSE Closing

Tables include the nationwide prices... use the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 High, 52 Low, Open, Close, Chg.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 4th Nov 1987

Net asset value quotations are supplied by the Funds listed with the exception of some quoted based on issue prices.

Large table listing various international funds with columns for fund name, asset value, and other details.

U.S. Futures

Via The Associated Press

Table listing U.S. Futures contracts including Wheat, Corn, Soybeans, and other commodities.

Currency Options

Philadelphia Exchange

Table listing currency options for various international currencies.

Dividends

Company Per Ann. Pay Rec.

Table listing companies and their dividend payment dates.

London Commodities

Class Class Prev. Price

Table listing London commodity prices for various goods.

Paris Commodities

Class Class Prev. Price

Table listing Paris commodity prices for various goods.

Grains

Wheat (CBT)

Table listing grain prices for wheat, corn, and soybeans.

Livestock

Cattle (CME)

Table listing livestock prices for cattle and hogs.

DM Futures Options

W. German Mark 12500 marks cents per mark

Table listing DM futures options for the West German Mark.

London Metals

Class Class Prev. Price

Table listing London metal prices for various metals.

Food

Coffee (NYMEX)

Table listing food commodity prices for coffee, sugar, and orange juice.

Metals

Copper (COMEX)

Table listing metal prices for copper, aluminum, and zinc.

Stock Indexes

SP COMP. INDEX (CME)

Table listing stock index values for the S&P 500 and other indices.

Market Guide

CBOT: Chicago Board of Trade

Table listing market guides for various exchanges and commodities.

MUNICIPAL BONDS (CBT)

100% tax-exempt

Table listing municipal bond prices for various cities.

Industrial

Lumber (CME)

Table listing industrial commodity prices for lumber and other goods.

Commodity Indexes

Moody's 1,001-5

Table listing commodity index values for Moody's and other indices.

U.S. Treasuries

Discount Yield

Table listing U.S. Treasury bond prices and yields.

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London Metals

Class Class Prev. Price

Table listing London metal prices for various metals.

DM Futures Options

W. German Mark 12500 marks cents per mark

Table listing DM futures options for the West German Mark.

London Commodities

Class Class Prev. Price

Table listing London commodity prices for various goods.

Wednesdays NYSE Closing

Tables include the nationwide prices...

Table listing NYSE closing prices for various stocks.

U.S. Treasuries

Discount Yield

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Class Class Prev. Price

Table listing London metal prices for various metals.





Wednesday's NYSE Closing

Tables include the nationwide prices for the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns for 12 Month High/Low, Div. Yld. PE, and various stock symbols and prices.

Table with columns for 12 Month High/Low, Div. Yld. PE, and various stock symbols and prices.

(Continued)

Table with columns for 12 Month High/Low, Div. Yld. PE, and various stock symbols and prices.

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(Continued)

Table with columns for 12 Month High/Low, Div. Yld. PE, and various stock symbols and prices.

U.K. Storm Will Cost Insurers £475 Million

LONDON — British insurance companies will pay more than £475 million (£825 million) in compensation for damage caused by last month's storms and floods, a spokesman for the Association of British Insurers said.

Floating-Rate Notes

Table listing floating-rate notes with columns for Issuer/Amount, Coupon, Next, Bid, and Ask.

Jobless Rate in Main EC Nations Rose to 10.9% in September

BRUSSELS — The unemployment rate for nine member states in the European Community edged up to 10.9 percent in September from 10.8 percent in August, the EC statistical office reported Wednesday.

NYSE High-Lows

Table showing NYSE High-Lows for various sectors like Precious Metals, US Logging, and AMEX High-Lows.

AMEX High-Lows

Table showing AMEX High-Lows for various sectors like Precious Metals, US Logging, and AMEX High-Lows.

Audi 80: the compact quattro.

The more compact car, the more people seem to expect in the way of performance. But there is more to performance than just bhp and acceleration.

From a ratio of 25.75 (front axle:rear axle) to 75.25. And the Torsen differential also makes the quattro drive system fully compatible with the standard anti-lock brake system.



Why not go for a test drive and look at the Audi 80 quattro in detail. And as the quattro drive system is equally effective on dry roads there is no need to wait until winter before you do so.



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The Daily Source for International Investors.

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U.S. Treasury

Commodity Index

Market Guide

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# Nervous Traders Push Dollar Down

**NEW YORK** — The dollar finished lower Wednesday in quiet trading, erasing much of Tuesday's rally that had lifted it from historic lows.

Dealers said that worries over the outcome of budget talks between White House and congressional leaders continued to weigh on the currency.

The dollar had rallied in early trading before pessimism undercut the gains, driving it lower in afternoon activity.

The dollar closed at 1.7035 Deutsche marks, against 1.7170 DM at Tuesday's close. Against the yen, it ended at 136.65, down from 137.50 on Tuesday.

The U.S. currency fell to 1.4045 Swiss francs from 1.4170 on Tuesday and to 5.7980 French francs from 5.8430.

The British pound climbed to \$1.7545 from \$1.7420 on Tuesday.

After opening lower, the dollar rallied to match Tuesday's closing levels, then slipped back again. It got its boost from supportive statements by U.S. and West German officials.

The West German finance minister, Gerhard Stoltenberg, said that the United States wanted the currency to stabilize, while Robert Ortner, the U.S. undersecretary of commerce, said that the currency was competitive at current levels.

The exchange markets watched

Closing	Wed	Tue
Deutsche mark	1.7035	1.7170
Swiss franc	1.4045	1.4170
Japanese yen	136.65	137.50
British pound	1.7545	1.7420
French franc	5.7980	5.8430

Source: Reuters

Despite the rate cut, the British pound firmed. "It's defied logic and good strategy," one dealer said, adding that one possible explanation could lie in the reflationary effect of the move, helping boost confidence denied by the stock market crash.

Against the dollar, sterling rose in London trading to \$1.7465 from \$1.7425 at the opening and \$1.7415 at Tuesday's close.

On its trade-weighted index, the pound finished up 1 basis point from Tuesday's close of 74.9 percent of its 1975 value.

"The longer Reagan dithers over the budget deficit, the more people will turn to the pound," a dealer said.

He said traders "prefer not to hold their assets in dollars at the moment, and despite the half-point drop in interest rates, the yield on sterling is very attractive."

Against other major currencies, the dollar slipped to 1.4125 Swiss francs in London, from 1.4135 on Tuesday, and to 5.8225 French francs from 5.8375.

In earlier European trading, the dollar was fixed in Paris at 5.8120 French francs, up from 5.8090 on Tuesday, and at 1.7090 DM in Frankfurt, up from 1.7050.

In Zurich, the dollar closed at 1.4110 Swiss francs, up from 1.4090 on Tuesday.

# 10-Year T-Note Gets Yield Above Expectations

**NEW YORK** — The U.S. Treasury's auction of \$9.25 billion in 10-year notes generated lackluster demand Wednesday, dealers said.

The notes, for which analysts had expected firm Japanese demand, were given an 8 1/2 percent interest rate and were sold at an average price of 99.966, to produce an average yield of 8.88 percent.

This yield was above the expected 8.55 to 8.87 percent, dealers said, noting that the highest accepted yield of 8.93 percent indicated stock bidding interest.

Another indicator of slow demand was that the \$17.45 billion in bids covered the required amount only 1.88 times.

The average yield was up from 8.74 percent at the last auction of 10-year notes on Aug. 12 and was the highest since 8.97 percent on Feb. 5, 1986.

The Treasury is due to auction \$4.75 billion of new 30-year bonds on Thursday. The existing issue rose 18/32 to 99 1/32 on Wednesday.

# GROWTH: European Nations Seem Relatively Unaffected by the Crisis

(Continued from Page 1)

Germany or France either, says Paul Horne, Smith Barney's Paris-based international economist.

In France, the bourse peaked at the end of March, and shareholder confidence has been suffering more from gradual erosion than a precipitous crisis, he says.

Mr. Horne and other private analysts are more concerned about the negative impact on business confidence, probably leading to reduced investment at least in France and West Germany in coming months.

In making investment decisions, French business usually looks at the general economic climate. West German business confidence began recovering this summer from a period of doubt about the economy earlier in the year and could easily "take flight," Mr. Horne says.

In Britain, the Confederation of British Industry said last week that while it expected the crash to undermine business confidence to some extent, the consequences should not be exaggerated.

The same view is held by Keith Skocho, chief economist at James Capel, a London brokerage, who predicts that British business confidence, and business activity, might not be marginally affected.

"I don't believe the impact of the crash will be as significant as many people think," he says. His assessment is echoed by an Italian finan-

cial analyst, who says that "recessionary expectations have been generally overestimated."

Several economists said that West European business investment was more likely to be influenced by prospective growth and interest rates next year than by any difficulty in raising funds in stock markets.

In West Germany this week, the five leading economic institutes said that even after the stock mar-

In Britain, Nigel Lawson, the chancellor of the Exchequer, on Tuesday shaved the official growth forecast for 1988 from 3 percent to a still-respectable 2.5 percent. He added that if declining North Sea oil revenues were excluded, the rest of the economy would still grow at a 3 percent rate.

In France, Finance Minister Edouard Balladur insists that there are no grounds for "catastrophism"

in France and West Germany, says Nigel Rendell, an international analyst in London.

Another cushion for the West Europeans, he says, is that they depend much more on each other for their export markets than on the United States. Provided the West European economies continue to grow, they are to that extent shielded from the effects of slower growth in the United States.

West Germany, for example, does about 20 percent of its trade with the United States, compared with 60 percent with the rest of Europe.

Nevertheless, everyone agrees that a serious recession in the United States, and a further big drop in the value of the dollar, would radically alter the relatively rosy assessments that are currently fashionable in Western Europe.

Those assessments are all contingent on a further crisis being avoided. For France, particularly, there is a major question mark over the franc, which may have to be devalued against the Deutsche mark.

The West German government insists, albeit to the anger of Washington, that by holding to its current policy of low inflation and modest growth it can ride out the storm.

In Britain, says Mr. Britton of the National Institute of Economic and Social Research, "We have seen a correction to the earlier climate of excessive optimism, getting us back in touch with reality."

# For the time being, there is generally less concern in Western Europe about the possibility of an abrupt drop in consumer spending than there is in the United States.

ket collapse, "a continuation of the modest economic upswing in West Germany at around the present tempo is more probable than a serious weakening of the expansion."

The optimistic view is certainly being maintained by governments, particularly in Britain and West Germany. In Italy, the international upheaval has helped to reopen a furious debate on the country's 1988 budget.

The French and West German governments, however, are still sticking adamantly to their "crash" growth forecasts for next year — 2 percent in France and 2.5 percent in West Germany.

and that there is no evidence that the collapse of the bourse will have a significant deflationary effect.

The earlier climb in the bourse had not acted as a major spur to economic activity, he contends, adding that the recent decline in long-term interest rates should help business investment.

Many economists also see twin advantages in lower interest rates and the lower cost of imports as a result of the decline in the dollar and the appreciation of the major European currencies. Although there are serious concerns over inflation in Italy, there are now no underlying inflationary pressures

in France and West Germany, says Nigel Rendell, an international analyst in London.

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**Wednesday's OTC Prices**

NASDAQ prices as of 2 P.M. New York time.

Via The Associated Press

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
16 1/2	16 1/2	ABW Bd	1.2	90	16 1/2	16 1/2	16 1/2	0
17 1/2	17 1/2	AMC	1.1	110	17 1/2	17 1/2	17 1/2	0
18 1/2	18 1/2	AMT	1.0	120	18 1/2	18 1/2	18 1/2	0
19 1/2	19 1/2	AMT	1.0	130	19 1/2	19 1/2	19 1/2	0
20 1/2	20 1/2	AMT	1.0	140	20 1/2	20 1/2	20 1/2	0

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
21 1/2	21 1/2	AMT	1.0	150	21 1/2	21 1/2	21 1/2	0
22 1/2	22 1/2	AMT	1.0	160	22 1/2	22 1/2	22 1/2	0
23 1/2	23 1/2	AMT	1.0	170	23 1/2	23 1/2	23 1/2	0
24 1/2	24 1/2	AMT	1.0	180	24 1/2	24 1/2	24 1/2	0
25 1/2	25 1/2	AMT	1.0	190	25 1/2	25 1/2	25 1/2	0

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
26 1/2	26 1/2	AMT	1.0	200	26 1/2	26 1/2	26 1/2	0
27 1/2	27 1/2	AMT	1.0	210	27 1/2	27 1/2	27 1/2	0
28 1/2	28 1/2	AMT	1.0	220	28 1/2	28 1/2	28 1/2	0
29 1/2	29 1/2	AMT	1.0	230	29 1/2	29 1/2	29 1/2	0
30 1/2	30 1/2	AMT	1.0	240	30 1/2	30 1/2	30 1/2	0

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
31 1/2	31 1/2	AMT	1.0	250	31 1/2	31 1/2	31 1/2	0
32 1/2	32 1/2	AMT	1.0	260	32 1/2	32 1/2	32 1/2	0
33 1/2	33 1/2	AMT	1.0	270	33 1/2	33 1/2	33 1/2	0
34 1/2	34 1/2	AMT	1.0	280	34 1/2	34 1/2	34 1/2	0
35 1/2	35 1/2	AMT	1.0	290	35 1/2	35 1/2	35 1/2	0

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
36 1/2	36 1/2	AMT	1.0	300	36 1/2	36 1/2	36 1/2	0
37 1/2	37 1/2	AMT	1.0	310	37 1/2	37 1/2	37 1/2	0
38 1/2	38 1/2	AMT	1.0	320	38 1/2	38 1/2	38 1/2	0
39 1/2	39 1/2	AMT	1.0	330	39 1/2	39 1/2	39 1/2	0
40 1/2	40 1/2	AMT	1.0	340	40 1/2	40 1/2	40 1/2	0

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
41 1/2	41 1/2	AMT	1.0	350	41 1/2	41 1/2	41 1/2	0
42 1/2	42 1/2	AMT	1.0	360	42 1/2	42 1/2	42 1/2	0
43 1/2	43 1/2	AMT	1.0	370	43 1/2	43 1/2	43 1/2	0
44 1/2	44 1/2	AMT	1.0	380	44 1/2	44 1/2	44 1/2	0
45 1/2	45 1/2	AMT	1.0	390	45 1/2	45 1/2	45 1/2	0

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
46 1/2	46 1/2	AMT	1.0	400	46 1/2	46 1/2	46 1/2	0
47 1/2	47 1/2	AMT	1.0	410	47 1/2	47 1/2	47 1/2	0
48 1/2	48 1/2	AMT	1.0	420	48 1/2	48 1/2	48 1/2	0
49 1/2	49 1/2	AMT	1.0	430	49 1/2	49 1/2	49 1/2	0
50 1/2	50 1/2	AMT	1.0	440	50 1/2	50 1/2	50 1/2	0

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
51 1/2	51 1/2	AMT	1.0	450	51 1/2	51 1/2	51 1/2	0
52 1/2	52 1/2	AMT	1.0	460	52 1/2	52 1/2	52 1/2	0
53 1/2	53 1/2	AMT	1.0	470	53 1/2	53 1/2	53 1/2	0
54 1/2	54 1/2	AMT	1.0	480	54 1/2	54 1/2	54 1/2	0
55 1/2	55 1/2	AMT	1.0	490	55 1/2	55 1/2	55 1/2	0

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
56 1/2	56 1/2	AMT	1.0	500	56 1/2	56 1/2	56 1/2	0
57 1/2	57 1/2	AMT	1.0	510	57 1/2	57 1/2	57 1/2	0
58 1/2	58 1/2	AMT	1.0	520	58 1/2	58 1/2	58 1/2	0
59 1/2	59 1/2	AMT	1.0	530	59 1/2	59 1/2	59 1/2	0
60 1/2	60 1/2	AMT	1.0	540	60 1/2	60 1/2	60 1/2	0

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
61 1/2	61 1/2	AMT	1.0	550	61 1/2	61 1/2	61 1/2	0
62 1/2	62 1/2	AMT	1.0	560	62 1/2	62 1/2	62 1/2	0
63 1/2	63 1/2	AMT	1.0	570	63 1/2	63 1/2	63 1/2	0
64 1/2	64 1/2	AMT	1.0	580	64 1/2	64 1/2	64 1/2	0
65 1/2	65 1/2	AMT	1.0	590	65 1/2	65 1/2	65 1/2	0

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
66 1/2	66 1/2	AMT	1.0	600	66 1/2	66 1/2	66 1/2	0
67 1/2	67 1/2	AMT	1.0	610	67 1/2	67 1/2	67 1/2	0
68 1/2	68 1/2	AMT	1.0	620	68 1/2	68 1/2	68 1/2	0
69 1/2	69 1/2	AMT	1.0	630	69 1/2	69 1/2	69 1/2	0
70 1/2	70 1/2	AMT	1.0	640	70 1/2	70 1/2	70 1/2	0

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
71 1/2	71 1/2	AMT	1.0	650	71 1/2	71 1/2	71 1/2	0
72 1/2	72 1/2	AMT	1.0	660	72 1/2	72 1/2	72 1/2	0
73 1/2	73 1/2	AMT	1.0	670	73 1/2	73 1/2	73 1/2	0
74 1/2	74 1/2	AMT	1.0	680	74 1/2	74 1/2	74 1/2	0
75 1/2	75 1/2	AMT	1.0	690	75 1/2	75 1/2	75 1/2	0

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
76 1/2	76 1/2	AMT	1.0	700	76 1/2	76 1/2	76 1/2	0
77 1/2	77 1/2	AMT	1.0	710	77 1/2	77 1/2	77 1/2	0
78 1/2	78 1/2	AMT	1.0	720	78 1/2	78 1/2	78 1/2	0
79 1/2	79 1/2	AMT	1.0	730	79 1/2	79 1/2	79 1/2	0
80 1/2	80 1/2	AMT	1.0	740	80 1/2	80 1/2	80 1/2	0

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
81 1/2	81 1/2	AMT	1.0	750	81 1/2	81 1/2	81 1/2	0
82 1/2	82 1/2	AMT	1.0	760	82 1/2	82 1/2	82 1/2	0
83 1/2	83 1/2	AMT	1.0	770	83 1/2	83 1/2	83 1/2	0
84 1/2	84 1/2	AMT	1.0	780	84 1/2	84 1/2	84 1/2	0
85 1/2	85 1/2	AMT	1.0	790	85 1/2	85 1/2	85 1/2	0

12 Month High	Low	Stock	Div. Yld.	100s	High	Low	2 P.M. Close	Net
86 1/2	86 1/2	AMT	1.0	800	86 1/2</			





